**Kings Row HOA Meeting January 28**

**3:00pm at the Schoolhouse**

**Attendees:**

**BOD**

Julie Mikus

Jo Ashton

Valerie Oken

Scott Thompson

Theresa Priebe

**Membership**

Roshni Slali

Connie Wood

Carol Gault

Becky and Patrick Chase

Danica Meade

Paula & Ed Phillips

Keith Oken

Andrew DiPaulo

Jen Harrell and Ron Lawton

Elizabeth Wiewall

The meeting was held for members to have an opportunity to discuss implementation of rules (amendment to the covenants) for home rental within the subdivision.

The discussion began around defining ‘short term’ rentals. Some ideas

* Less than 30 days
  + Colorado State definition for tax collection – rentals less than 30 days are subject to tax over 30 days tax is not collected
  + Towns within the valley define less than 30 days as a short-term rental: Glenwood springs, Carbondale, Basalt, and Aspen
* Less than 6 months
* Does Garfield county define ‘short term’ – no not at this time
* Possibly limit the number of short-term rentals per property per year: 2 rentals per year for X term (x could be a week or 30 days) defined

**Roshni Slali who is a Real Estate Agent in our valley and lives on Kings Row North shared some information with the group from her experience:**

* Currently this is a big deal in our state, and in our communities because of lack of local workforce housing - this is the primary driver of a lot of these restrictions on short-term rentals.
* The State of Colorado is considering a short-term rentals bill to create different categories of tax rates based on a property’s usage. Any property used as a short-term rental for more than 90 days/year would be taxed at the state’s current 27.9% lodging rate, instead of the 6.765% residential rate.
* legislation in Colorado currently being discussed to address short-term rentals
  + They would start policing that through the assessor’s office, they would ask owners to sign an affidavit stating that they do not rent their house out for more than 90 days a year as a short term rental, they're talking about imposing fines and misdemeanors. Under current consideration: up to 120 days in jail and fines. If this is approved this year or next year, it would likely go into effect in 2026.
  + If this type of legislation passes, it will likely be regulated by Garfield/Eagle county assessors
* Subdivisions around the valley have different rules – some are:
  + Fox run down the road from Kings Row considers short term rentals less than 60 days
  + Iron bridge is six months minimum
  + Aspen Mesa Estates has draft language in their covenants to define it as less than twelve months

**Questions from the group:**

1. What restrictions are currently in place in KRHOA – homes may be rented via a single contract – homeowners may not create multiple housing solutions such as a duplex or ADU
2. If there is a certain number of rentals within the community, will insurance rates be affected?
3. Will lending for property purchase be affected if there are short term rentals in the neighborhood? This may be true for CONDOS as they become non warrantable.
4. Real estate professionals field calls from potential buyers asking if short term rentals are allowed – some potential buyers move on if they are not allowed -- strict use restrictions can effect the marketability of a property
5. Buyer profile is typically people that want to retire out here, coming from the Front Range or from the coast or, and they might not be at retirement age, yet they want the ability to make some income on their purchase.
6. Hearing that there's real lack of workforce housing, these short-term rentals are benefiting the bottom line of a lot of homeowners that might not be the best thing for our community and Valley overall. (more of an observation than question)
7. Does using a single-family residence as a short-term rental classify as a ‘business’ use? If so, Covenant 1 makes this activity illegal.

Homeowners expressed a list of concerns surrounding short-term rentals:

* + - Too many people at a residence - cars
    - Use of water
    - Increased traffic
    - Trouble enforcing rules because renters are not aware of them.
    - Not knowing your neighbor
    - Problems with noise
    - Lack of knowledge of fire danger
    - Loss of social fabric of the neighborhood
    - It is not an issue currently, but some want to set rules in case.
    - Lack of long-term housing in the valley

The other side

* + - Should the HOA tell homeowners how to use their property?
    - Situations can arise where renting short term helps maintain solvency.
    - The rights and responsibilities belong to the homeowner – guests are not homeowners.
    - Tough to monitor without intrusive behavior. This activity could cause strife within the neighborhood.

Ideas for compliance monitoring

* Homeowners would have to register intent to rent home as short term
* What about long term?
* Who is notified of the short term rental possibility? Adjacent neighbors – entire membership?
* Special board of homeowners participating in short term rentals responsible for monitoring compliance
* Hire a company to manage the short term rental compliance
* Create a licensing system for short term rentals in the HOA
* Managed by the standing BOD
* Important information for consideration of any compliance enforcement

**NEXT STEPS**

Form a group within the membership to create a questionnaire which would be distributed to the membership to determine if there is a need for an amendment to the Kings Row Covenants.

The questionnaire would define short term, who is in favor/opposed and other pertinent information.

The information gathered from the questionnaire will determine whether to move forward with creating an amendment to the Covenants.

If it is determined that an amendment is the community’s choice, then that will be created by the BOD and sent to legal for approval.

Once legal approves of the language of the amendment, it will go to the membership to be voted upon, most likely via mail or email.