

CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION

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Covenant Amendment Steering Committee (CASC)

Meeting Minutes-FINAL

Thursday – December 3, 2020 5 pm – 6:30 pm

Questions about this Agenda/Meeting can be directed to 970-901-6851 or compliance@cbsouth.net

In attendance: Sue Wallace – POA Compliance Coordinator/Secretary; Dom Eymere-Association Manager; Committee Members: Matt Barker, Debbie O’Hagan, Elise Meier, and Tim Williamson.

Meeting began at 5:15 pm and was conducted online using Uberconference.

A motion was made, and carried, to approve the November 5, 2020 meeting minutes. Next meeting will take place January 7, 2021 at 5 pm on Uberconference.

CASC members in attendance were comfortable supporting the most recent changes to Article 4, but acknowledge that substantive changes are still likely to occur to Sections 4.2.5-Parking, 4.2.8-Family Residence Rental, and 4.3-Commercial, Light Industrial, and Limited Manufacturing upon further community and legal review.

The meeting was also a noticed public hearing to gain input from the community about limiting Short-Term Rentals (STRs) to only primary residences. According to Uberconference, 46 people were on the call to speak or listen to the conversation. We opened the public hearing at 5:15 pm. Sue took notes and reviewed the recordings in preparing this summary of the comments received, and the full chat log appears below.

Sue opened the meeting by explaining that the CASC and Board of Directors were interested in the community’s input on the use of homes for STRs, both for a covenant revision and to inform a Board-directed policy for the program. A few points were made up-front:

- POA is *not considering eliminating* the STR use of homes
- POA is considering limiting STR use to primary homes
- There are currently around 30 properties being used as STRs
- Most compliance issues are related to # people in the house, type and # of toys, and visitors not realizing CBS is a neighborhood
- Regulation of STR’s must take place in the covenant

All comments received at the meeting are provided below, but a summary of the main points made includes:

- Most owners understand that there are potential impacts from STR usage, and feel that it should be dealt with through better enforcement by the POA, better education provided by owners and property managers, and making sure an on-site manager is available immediately.
- Many owners who also happen to be realtors stated that they feel properties are more desirable from a selling perspective if they can be short-term rented.
- Some owners stated they feel an STR next door actually devalues their property.
- Some owners feel STR’s should only be permitted when they are the primary residence, not an investment property.
- Many owners feel they should retain flexibility in how they use their properties; quite a few people stating “don’t tell me what I can do with my property”.
- Owners understand the housing crunch in the valley, but don’t feel their STR use should be limited because of it.

- Many owners stating they are STRing their properties so they can use them when they want to, the STR provides income, and they plan on moving here long-term at some point.

Debra Tutnauer-117 Cisneros, now vacant but plan to build 2021: Need balance between primary owners vs remote owners using property for STR. The value of homes in CBS allows many people to afford another home. She does not like the idea of houses being empty and dark like in town of CB, and maybe agrees with only primary residence use. She doesn't support investment-only property, at least long-term but not constant short term. 30 consecutive days is appropriate for short term rental, beyond that it is long-term use. She feels particulars like the # of days permitted isn't the issue to focus on, but more important is enforcement and communication to guests about managing nuisances, # people, large crowds, toys, machines.

Tracy and Dave Adamczyk-201 Goren: Having flexibility to rent primary home is important, both long and short term. Feels rentals should only be primary residences. Covenant should require on-site manager available to address nuisances and impacts, and should address specific nuisances. Technology can also help remote owners maintain compliance -cameras, noise meters-by providing remote access to properties. Respecting neighbors important. Bottom line: enforcement must address impact issues. Covenants should list of main complaints and address them in the covenant and how they should be enforced. Some STR sites allow owners to block bad renters.

Skip Meyer-54 Bryant: Supports primary residences only or it will become "town" with same impacts. STR is very lucrative. County assessor records easily can indicate if CBS is a primary residence. He doesn't want "constant parade" of people coming and going. He STR's the house he lives in. He supports a long-term rental when people are gone for "a while".

Scott Holwick – 56 Janet Place: Lot is vacant now but he plans to build. It is expensive to build single family and STR is one way to make it more affordable. If the prospect of renting STR is taken away, it is a disincentive to build and be here. He expects to be here 6 month/year.

Jaima Giles – 1042 Cascadilla B: Jaima is a realtor, she is concerned about restrictions that could discourage buyers. Asked about # of STRs and nuisances. She was involved with the Town of CB's process to regulate STR. Resale value might be impacted by restrictions. She doesn't want restrictions on future use: if she needs to rent her house, has a medical emergency, etc. Jaima is offering to share data on markets and communities that have banned/restricted STRs. CBS is great because it is locals and 2nd homeowners, long-term renters, it's a good mix. Need to be respectful of all arrangements, not primary or secondary status.

Andy Caler – 2106 Bryant: Offered note how to define primary residence, from chat below: Denver works under the rule that the residence has to be a primary for it to be short term rented. Denver defines a primary residence as "a residence which is the usual place of return for housing." Andy provided the following reference: <https://www.summitcountyco.gov/DocumentCenter/View/23986/STR-Regulations?bidId=> - it includes enforcement on page 6. Need strict rules and regs, need upfront on rental site with rental agreement. Who is enforcer? Summit Cty is strict-2 verified complaints per year and you can lose your rental license. Doesn't want community to be left with impacts. Worries about investor-only properties.

Dawn Howe – 140 Blackstock Unit B: Realtor, will hurt property values. Doesn't want STR next door but strongly believes we should not restrict use. Opportunity to travel is important and if you can STR to do it, you should be able to.

Helen Behr – 955 Cascadilla: Started STR in 2019 but have owned house since 2005. STRing made them aware of how empty the house was. Alternative is empty house. How do people feel about this? They declined long-term renter so they could use the house. Limit the POA's burden on enforcement with a rental agreement. Would more involvement in communication to visitors by owners and prop mgrs. Help?

Daniel and Michael Herder – 1014 Cascadilla. Full time homeowner and realtor. She feels limits are not appropriate, property owners should be able to do what they want with their props. Restrictions limits values. Feels covenants and rules should be strong about parking, noise, behavior. How to get owners to have “skin in the game”-financial incentive? Fines? Should not make a distinction between primary and secondary owners, behavior is the emphasis and enforcement and should apply to short and long-term rentals.

Pat and Eric Streicher – 578 Shavano: here for first full year, full time. Used to live at Skyland Lodge before moving here, now long-term rent it. She sees CBS as a “locals neighborhood”. Skyland lodge is a lot of locals too, long term renters. STR at lodge was high impact. Looked to buy at Links-behind Skyland Lodge-because of the restriction on short term renting. When they bought they were concerned with STR’s near and around them-she feels it lowers property value. Covenants should address long term absences with short term rentals. Maintaining long-term housing should be where locals can still rent. The loss of local housing results in shortage of service people.

Tom Hamilton – 189 Cisneros. Full time, real-estate, condo assoc background. Comments and questions: STR has been defined. Are we intending to make 2 classes: primary residences and non-primary. County standard for occupancy? Parking? Changing covenant “after the fact should not be taken lightly”. Problems: toys, noise, drones. What should be a covenant, what should be rules and regs. Gets to issue of behavior. Need to understand the County’s standards and how they would be enforced before we become possibly more restrictive.

Drew Davis – 364 Elcho #1: Purchased in CBS because they would have freedom to rent when they aren’t here. Attorney in Denver, couldn’t make it work out to live here. Freedom to rent the house is very attractive, it’s why they wanted to buy in CBS. He is always referring his STR guests to businesses and thinks business could take a hit if STR is limited. His prop mgr lives in CBS and provides income to this person. If he is removed from equation, then he can’t help keep these people afloat. Doesn’t understand the fascination with long-term rental-seeming like they don’t cause impacts, but they do. He doesn’t know many locals that can afford what he would ask for long-term rent, he isn’t going to give it away. He bought with the understanding he could STR, and is planning on moving here full time. He feels there is an attempt to create two classes of ownership.

Jim and Crystal – 17 Shavano: vacant lot, plans to build Duplex with long-term rental on one side, STR on other side so they can use it too. They like the flexibility of being able to use unit, enforcement is important. They want to be good neighbors

Sue reiterated that banning STR use is not on the table. And in response to Scott’s question below, about where to get more info: Sue is saying we’ll post updates on website, gather email addresses

UberConference Chat Log

Debbie OHagan (5:04) - I received many comments from neighbors that do not feel that restrictions are legal.

Dom Eymere (5:20) - According to state statute and CCIOA if you don't have a provision in your covenants that allow for occupancy limits, than legally you may not restrict or limit. This is why we are looking at a provision to allow the Board to make a policy.

Debbie OHagan (5:22) - Dom received many emails that stated that many current owners rely on STR to help pay for their homes.

Andy Caler (5:33) - Just a note: Denver works under the rule that the residence has to be a primary for it to be short term rented. Denver defines a primary residence as “a residence which is the usual place of return for housing.”

Dawn Howe (5:35) - As locals, if we want flexibility, then I don't believe we have a right to restrict others.

Debbie OHagan (5:37) - I agree with Dawn.

Herder (5:38) - I would like to speak after Jaima

Helen Behr (5:39) - I would like to speak after Herder

Thomas Hamilton (5:40) - I would like to speak after helen

Dawn Howe (5:42) - Skip - I live in a duplex and I don't want short term next door, but is it really my right to tell my neighbor they cannot???

Eric Streicher (5:43) - I would like to speak after Helen

Eric Streicher (5:44) - Pat Streicher-I am the person above but name did not come through

Debbie OHagan (5:45) - I manage a few VRBO and in our rental agreement, we state what neighborhood rules are to avoid the ATV or animals or whatever issues.

Debbie OHagan (5:45) - If they don't abide by the rules, we block them from future renting.

Scott Holwick (5:46) - not sure a long-term rental is a solution for a family who intends to use their CB South residence for a large amount of the year. At first blush, I think that Skip's concern can better be addressed by limiting the number of times/days (frequency) that a property can be used as a short-term rental (to minimize the revolving door issue).

Dawn Howe (5:55) - Yes! I love regulate the behavior not the rental days or who can rent.

Herder (5:56) - Can you hear me

Rick Martin (5:58) - May I speak after Herder please?

Debbie OHagan (5:59) - In reply to Deborah's comments, one way to deal with behaviors, it is important to register with POA to state who is managing the property and can respond to any problems.

Drew Davis (5:59) - I'd appreciate a chance to speak after Rick Martin

Debbie OHagan (6:00) - I also have found that long term rentals often create more wear and tear than short term where we can check on it after each renter.

Helen Behr (6:00) - Yes - that's another reason why we declined a long term rental.

Tracy Adamczyk-Snow (6:04) - We totally agree with the last speaker

Drew Davis (6:11) - Two classes of ownership? That's what it sounds like is happening to me...

Jaima Giles (6:11) - Restricting short term rentals will NOT help long term rentals. It will only create more dark homes. It's unfortunate, but it's a fact. People should be able to use their homes in the manner that they wish to use them.

Drew Davis (6:13) - Correct, Jaima. It would also force some to sell their property, and likely at a discount, just to get out of a property they cannot exercise full dominion and control over

Scott Holwick (6:15) - where can we located additional information/draft minutes from this meeting prior to the January 7th meeting? Thanks!

Rick Martin (6:17) - I'm back! I nadvertantly, hung up-- could I speak please?

Tracy Adamczyk-Snow (6:19) - Again - Agree with current speaker. Honestly, we have had many problems with long term rentals.

Debbie OHagan (6:19) - We need long term rentals to provide for our working folks.

Jaima Giles (6:20) - Sue and Dom- please let me know if I can share specific market data with you that shows the challenges on re-sale of properties that have been restricted. Days on market increases, prices decrease, and the buyer pool is cut in half. Please reach out if you'd like specific information on this. I'm happy to help!

Debbie OHagan (6:22) - Property owners legally have the freedom to determine what works best for their property.

Mike and Danielle Herder (6:25) - It is the responsibility of property owners that choose to rent out their property to clearly describe the covenants and expectations. If those owners that are renting out to short term renters aren't fulfilling that requirement, that is what needs to be addressed.

Jim and Crystal (6:29) - We would like to be on any distribution list for information as well.

jim.stotts@dietzmemorial.com, thanks!

Andy Caler (6:31) - For reference - here are Summit Counties regulations.

<https://www.summitcountyco.gov/DocumentCenter/View/23986/STR-Regulations?bidId=> - it includes enforcement on page 6.

Gary Huresky (6:35) - Stifling impact

Rick Martin (6:37) - I would love a list of main complaints. I totally agree with ideas of noise, toys, and number of people limits. Our duplex will have a permanent resident and us. Our son is also a local resident (will be our property manager)and we want to watch his family grow up, but would not be able to afford this without STR income. We are putting our heart and soul into this house and DON"T want it to be destroyed. We will be marketing to churches for pastor sabbaticals, etc. I have already called Oh Be Joyful church :)

Drew Davis (6:39) - 30 properties out of 500 (~6%) currently rent their property on a short term basis. What kind of "balance" are people wanting?

Drew Davis (6:40) - Additionally, I keep hearing from Sue that we are not looking to create two classes of ownership or "division" but the agenda for this meeting I was provided with specifically states as a bullet point of discussion: "Consideration of Restricting Short-Term Rental Use to Primary Residences Only"

Rick Martin (6:46) - Yes, that is what I wanted to say -- thank you!

Tracy Adamczyk-Snow (6:47) - Thank you for the opportunity to speak and listen.

Drew Davis (6:47) - Thank you, Sue

Helen Behr (6:47) - Thank you for including our input.

Sue thanked the callers for attending and sharing their opinions, and asked that anyone interested in being kept apprised of the movement on this issue send her their email and she will create a distribution list.

Matt felt the discussion was helpful, positive, constructive, and learned some new opinions he had not considered. Was hoping for someone to have a solution! Overall we heard: Don't tell me what to do, don't mess with property values.

Sue wrapped meeting by saying we'll meet on Jan 7, and need to discuss Article 5; Matt feels Article 5 is pretty straightforward.

Meeting adjourned at 7 pm.