

Dear Crested Butte South Property Owner,

As many are aware, the Crested Butte South community has a covenant amendment vote before us (voting ends on November 20) regarding short-term rental (STR) in Crested Butte South.

Anything that changes a property owner's rights must be voted on as an amendment to a covenant. On the other hand, regulations, policies, and fee structures may be changed by the current (or by a future) board at any time with consensus from that board.

To get to where we are today, this community's STR subcommittee and POA board have been meeting on the topic of managing short-term rentals in Crested Butte South since December 2022. The five-member STR subcommittee was selected from a wide range of applicants to be diverse, representing both sides of the topic. We met monthly for nearly two years to discuss, respectfully but oftentimes spirited, all sides of the short-term rental business. The subcommittee feels they have done their due diligence leading to this proposed covenant amendment, and their policies and guidelines recommended to the board to manage the STR program.

Overall, your board is seeking to remain more nimble in its ability to make changes to STR licensing should this board, and future boards, need to change with changing times. As an example, we specifically left license fee structures and the regulatory process for how STR licenses are awarded (should the proposed 20% Full STR license cap be met) out of the covenant language.

Taking a broad, future-looking view of short-term rentals in our community, your board and STR subcommittee members considered the 77% of respondents to the February 2023 POA survey who asked for restrictions on short-term rentals in CB South.

When asked "Which topics do or could pose issues with Short-Term Rentals?" The top community concerns from 554 survey respondents were:

- Character of Neighborhood
- Traffic flow and speed
- Decreased availability of long-term rentals
- Housing Affordability
- Proper trash disposal
- Noise and outdoor lights left on
- Unlicensed off-road vehicles
- Uncontrolled dogs

The proposed amendment is to limit the number of Full STR licenses available as a percentage of dwelling units in Crested Butte South. The proposed 20% cap would maintain STR rental activity (and the topics of concern associated with increased rental activity) at a manageable level for our community while addressing the impact on the community.

Here is what you will be voting on:

The introduction of two STR license types.

Full STR license would have no annual rental day limitation, but the number of licenses is proposed to have a cap not to exceed 20% of dwelling units. The proposed number of Full STR licenses available would be limited to the 20% cap.

The Primary Residence STR license proposes a limit of 60 days of short-term rental each year. The number of Primary Residence STR licenses is unlimited and would not be counted toward the 20% cap.

Anticipating the effect of a covenant change if the amendment passes:

Based on the rental activity of the 49 STR licenses that exist today, the STR subcommittee forecasts larger increases in Full STR licenses than Primary Residence licenses.

Anticipating Full STR-licensed properties will bear a greater cost for staff to administer, manage compliance, and regulate, the board is considering a higher license fee structure for Full STR licenses to be sure fees paid by STR license holders cover the costs to our community beginning in 2025.

The board foresees the local Primary Residence STR license to be less restrictive, have less impact, and therefore involve less cost to administer.

By design, the proposed covenant amendment does not define how Full STR licenses will be issued once the 20% cap is reached. Instead, this will be addressed by a regulatory policy that is adopted by the board of directors. In 2024 about 6% of dwelling units, or 49 licenses of 813 dwellings have an STR license. If we assume that a portion would convert to a Primary Residence license, there is ample margin before the 20% cap on Full STR licenses proposed would be reached.

The community's STR subcommittee and POA board have developed tighter policies and regulations that clearly state the community's expectations for owners and their rental guests. The updated rules and regulations are designed to keep pace with the anticipated increase in short-term rental activity and to preserve the character of the Crested Butte South community.

The proposed covenant amendment requires a 50%+1 YES vote of the membership to pass. Please understand that a NO vote does not mean that STR licenses and fees will remain the same. Whether you vote for or against the proposed amendment is your choice.

PLEASE VOTE, it's your voice.

Thank you,
The Crested Butte South Board of Directors