

Town of Lyons, Colorado
Board of Trustees
BOT Agenda Cover Sheet
Agenda Item No: WORKSHOP
Meeting Date: April 5, 2021

TO: Mayor Angelo and Members of the Board of Trustees
FROM: Reyana Jones, Historic Preservationist/Planner
DATE: April 5, 2021
ITEM: WORKSHOP – Inspection Requirements for STRs in Commercial Buildings

ORDINANCE
 MOTION/RESOLUTION
 INFORMATION

- I. **REQUEST OR ISSUE:** It is unclear whether the establishment of an STR in a commercial building is a “change in use” that would require building inspections and improvements to meet building/fire codes for mixed use.
- II. **RECOMMENDED ACTION / NEXT STEPS:** The Board of Trustees should clarify their intent for Staff regarding whether the “Self-Inspection Checklist” is sufficient or insufficient for STRs in commercial buildings.
- III. **FISCAL IMPACTS:** If a policy of building inspection/improvement is pursued for commercial STR applications, it may discourage property owners from establishing STRs in their commercial buildings; the Town currently collects lodging occupation tax from all licensed STRs. However, bringing buildings up to mixed-use code increases safety and decreases risk in general for emergency incidents such as fires.
- IV. **BACKGROUND INFORMATION:**
In August 2019, based on a citizen-initiated request, the Board of Trustees passed and adopted Ordinance 1063, which expanded STR eligibility to include dwelling units in C, CD, and CEC zoning districts provided that a business open to the public occupies a portion of the property where the dwelling unit is located.

Based on the minutes of the discussion from that meeting, it is unclear whether the Board of Trustees intended to require building inspections, similar to what would be done for a change in use for a building.

Applicants for residential STRs do a “Self-Inspection Checklist” (attached) to certify that their residence is safe for STR use. Some municipalities use a similar checklist/certification for both commercial and residential STRs, but other municipalities hold STRs in mixed-use

buildings to higher standards of inspection, as summarized in the attached research document.

In Lyons, although many of the dwelling units in commercial buildings have existed for years, most of them lack formal Certificates of Occupancy for residential use. If a property owner applies for an STR License for a dwelling unit in a commercial building that does not have a C/O for that use, it is unclear whether that use should be allowed based on the “Self-Inspection Checklist” or if additional inspections and building improvements should be required.

V. LEGAL ISSUES: None.

VI. SUMMARY AND ALTERNATIVES: The Board of Trustees should advise Staff how to handle applications for STRs in commercial buildings in terms of inspection requirements.

Attachments:

1. STR Self-Inspection Checklist
2. STRs in Commercial Zoning Districts – Examples of Policies from Other Communities