



**Town of Paonia  
214 Grand Avenue  
Tuesday, April 7, 2026 5:00 PM  
Ad Hoc Short-Term Rental Agenda**

- A) Approval of Agenda
- B) Actions & Presentations
  - Public comments must be related to the agenda item, 3-minute time limit.
  - 1) Board Directions
  - 2) Discussion of the Common Grounds Proposed Short-Term Rental Ordinance
  - 3) Discussion of Phased Approach - *Tabled from the 3.17.2026 meeting.*
  - 4) Review of Local Data & Current Conditions
  - 5) STR Framework- Starting Point for Discussion (25-30 min)
  - 6) Example Implementation (Optional/Time Permitting- 10-15 min)
  - 7) Next Steps and Direction (10-15 minutes)
- C) Adjournment



## Proposed Objectives to be Addressed by the Short-Term Rental Ad Hoc Committee Requiring Consideration by the Board of Trustees

The Town of Paonia has committed to and must regulate short-term rentals (STRs). This commitment is in place because of the use of public funds granted to the Town in order to hire a consulting firm to create a Paonia specific Housing Needs Assessment and Housing Action Plan. Regulating STRs was the number one priority expressed by community participants at public meetings to address the shortage of long-term housing in Paonia. The Housing Needs Assessment and Housing Action Plan were formally adopted by the Town in November of 2023. Regulating STRs is the first tool recommended in the Housing Action Plan for addressing long-term housing shortages.

The Town needs to move forward to protect the limited supply of housing by regulating the conversion of long-term residential properties to STRs and the purchase of homes for the purpose of using them as STRs. The Town also recognizes that STRs contribute to the local economy, support tourist-oriented businesses and allow local homeowners to supplement their income and provide flexibility by renting second homes and portions of their primary residence.

Additionally, the Town and Trustees determined that uncontrolled and unregulated STRs may also have a direct effect on the quality and character of the community and individual neighborhoods and properties in Town. Protection of the health, safety, and welfare of the residents of Paonia is a basic and valid responsibility of local government. Therefore, the adoption of a balanced approach to regulating, which includes licensing of STRs is an imperative for the Town.

<p>The administrative provisions provided below (these are decisions made only by the <b>Board of Trustees</b>) are necessary for the implementation of a municipal licensing program for which the Town is legally responsible to adopt in order to protect public health, safety and ensure responsible management of public funds.</p>	<p>Potential Topics for the Ad Hoc Committee to address and create proposed recommendations to the Board of Trustees for consideration</p>
<ol style="list-style-type: none"> <li>1. Creation of a Licensing program that includes dwelling units and single room rentals</li> <li>2. Adoption licensing requirements</li> <li>3. Licensee obligations during term of the license</li> <li>4. Unlawful to operate an STR without a license</li> <li>5. Use of the following definition for “Dwelling Unit” – “Dwelling Unit means a single unit providing complete, independent living facilities for one or more persons,</li> </ol>	<ol style="list-style-type: none"> <li>1. Number of maximum (Dwelling unit/single room) STR licenses offered by the Town and what this number is based on</li> <li>2. Definition of a single room rental</li> <li>3. Approach for licensing single room rentals.</li> <li>4. Owner occupied vs. non-owner-occupied dwelling units as STRs</li> </ol>

including permanent provisions for living, sleeping, eating, cooking and sanitation.” This definition applies to other portions of Town Code and must be uniformly applied.

6. STRs defined as being rented for a period less than 30-days
7. Requirements for Annual License renewal
8. Licensing Fee requirements and the associated fee amount to ensure public staff time and public resources are adequately reimbursed
9. Requirement for an exterior door with a minimum of 32 inches when opened to 90 degrees.
10. Criteria and process for license denial, suspension, revocation, penalties for noncompliance and opportunity for appeal.
11. Adherence to Chapter 18, requiring adherence to the 2018 International building code and licensed property available for inspection by Town designee
12. Adherence to all Town of Paonia Code requirements including zoning, nuisances, trash collection, noise abatement, dark skies, etc.
13. STRs prohibited in the Mobile Home district (MH), Light Industrial district (I-1), Industrial District (I-2), Developing Resource District (DR) and Public District (P)
14. Requiring an owner applying for an STR license to provide proof of property ownership
15. Requiring that each licensed STR owner designate an authorized representative(s) that is/are located within 60 minutes driving time from the STR and available 24 hours a day, 7 days a week for the purpose of responding to property code violations and/or complaints regarding the condition, operation, or conduct of occupants of the short-term rental, and (2) taking remedial action to resolve such violations and/or complaints..
16. Non transferability of licenses

5. Possibly assigning the number of STR licenses and the associated parking requirements based respectively on the Town Zoning Classifications - C-1, C-2, R-1, R-2, R-3 and E-1 (See attached zoning classification descriptions and the Town zoning map)
6. Discuss the time frame included in the definition for *primary residence* – A privately-owned residential dwelling or property at which the owner resides for at least hundred (200) days per year. (This is the definition and time frame included in the original Ordinance.)
7. Establishment of a license waiting list used when all allotted licenses have been issued

**ORDINANCE NO. 20\_\_-\_\_**

**AN ORDINANCE OF THE TOWN OF PAONIA, COLORADO, AMENDING THE PAONIA MUNICIPAL CODE TO ADD A NEW ARTICLE CONCERNING THE REGISTRATION AND REGULATION OF SHORT-TERM RENTALS**

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**WHEREAS**, the Town of Paonia Board of Trustees recognizes that short-term rentals contribute to the local economy by supporting tourism, agritourism, local businesses, and community events; and

**WHEREAS**, on April 1, 2025, approximately 70% of Paonia voters approved the repeal of Ordinance 2024-05, signaling a clear community preference for a simpler, more proportional approach to short-term rental regulation; and

**WHEREAS**, the Board of Trustees has determined that a registration-based framework, adapted for Paonia's scale and character, best serves the public interest; and

**WHEREAS**, the Board finds that the primary purposes of this Ordinance are safety, nuisance prevention, accountability, tax compliance, and administrative feasibility, rather than housing engineering or density management; and

**WHEREAS**, short-term rentals currently represent a small percentage of Paonia's approximately 943 housing units, well below the saturation levels observed in resort communities; and

**WHEREAS**, the Board of Trustees is authorized to adopt this Ordinance pursuant to the police powers granted to statutory municipalities under C.R.S. § 31-15-103, the authority to regulate for the protection of public health, safety, and welfare under C.R.S. §§ 31-15-401 and 31-15-601, the land use and zoning authority granted under C.R.S. § 31-23-301 et seq., and all other applicable provisions of Colorado law;

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO:**

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**SECTION 1. DEFINITIONS**

For the purposes of this Article, the following terms shall have the meanings set forth below:

**A. "Short-Term Rental" (STR)** means the rental of a dwelling unit, or any portion thereof, for a period of fewer than thirty (30) consecutive days, in exchange for compensation. This

term includes the rental of an entire dwelling unit or individual rooms within a dwelling unit. This term does not include hotels, motels, and lodging facilities (including room houses and bed-and-breakfasts) licensed under other provisions of the Paonia Municipal Code, nor does it include the renting of rooms on a monthly or longer basis as permitted under §16-11-20 (Home Occupations) and §16-11-30 (Renting of Rooms).

**B. "Dwelling Unit"** means a single-family home, an accessory dwelling unit, a detached accessory building with sleeping accommodations, or any other residential structure lawfully permitted for habitation under the Paonia Municipal Code.

**C. "Operator"** means the property owner, or a person or entity authorized by the property owner, who manages and operates a short-term rental.

**D. "Local Contact Person"** means a person located within thirty (30) miles of the short-term rental property who is available twenty-four (24) hours per day to respond to complaints, emergencies, or inquiries related to the operation of the short-term rental.

**E. "Registration"** means the approval granted by the Town of Paonia authorizing the operation of a short-term rental in accordance with the requirements of this Article.

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## **SECTION 2. REGISTRATION REQUIRED**

**A.** No person shall operate, advertise, or offer a short-term rental within the Town of Paonia without first obtaining and maintaining a valid Short-Term Rental Registration from the Town.

**B.** A Registration is valid for a period of three (3) years from the date of issuance and must be renewed for each subsequent three-year period.

**C.** A Registration is non-transferable. If ownership of the property changes, the new owner must apply for a new Registration prior to operating a short-term rental.

**D.** Existing short-term rental operators shall have until January 1, 2027 to submit a Registration application.

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## **SECTION 3. APPLICATION AND FEES**

**A.** Applications for a Short-Term Rental Registration shall be submitted to the Town Administrator or designee on forms prescribed by the Town. The application shall include:

1. Property address.

2. Applicant name and relation to the property (owner, authorized manager, etc.).
3. Mailing address, telephone number(s), and email address of the applicant.
4. Name, address, and 24-hour telephone number of the Local Contact Person (if the operator does not reside on the property).
5. Name and contact information of the property owner, if different from the applicant.
6. Number of bedrooms to be rented and advertised maximum occupancy.
7. Whether the rental will be located in a single-family home, accessory dwelling unit, or detached accessory building.
8. Whether the rental will be managed on-site by owner, on-site by manager, off-site by owner, or off-site by manager.
9. Anticipated availability (year-round, seasonal, or occasional).
10. Proof of property ownership or written authorization from the property owner.
11. Self-certification affidavit affirming compliance with the safety and operating standards set forth in Section 5.

**B.** The Registration fee shall be set by resolution of the Board of Trustees and shall be limited to the reasonable costs of administering this Article. The initial fee shall not exceed \$75.00 for a three-year registration period for operators renting individual rooms and \$100 for operators renting entire dwelling units.

**C.** The Town Administrator shall approve or deny an application within thirty (30) days of receipt of a complete application. If denied, the applicant shall receive written notice stating the reasons for denial.

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#### **SECTION 4. TAX COMPLIANCE**

**A.** All short-term rental operators shall collect and remit all applicable taxes required by the Paonia Municipal Code or Colorado law.

**B.** Operators using third-party booking platforms that collect and remit taxes on behalf of the operator shall maintain documentation of such arrangements and provide it to the Town upon request.

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#### **SECTION 5. SAFETY AND OPERATING STANDARDS**

By signature of the Registration application, the owner or operator affirms compliance with the following standards, which shall be maintained at all times the short-term rental is in operation:

#### **A. Life Safety**

1. All sleeping rooms have operable emergency escape windows that meet the applicable building code.
2. Each bedroom to be rented has a functioning smoke detector, with a smoke detector also in an adjacent hallway.
3. Each bedroom is located on a floor equipped with a functioning carbon monoxide alarm if the dwelling unit has a carbon monoxide source (gas appliance, fireplace, attached garage, or similar).
4. An operable fire extinguisher has been placed in proximity to the kitchen.
5. Ingress and egress paths of travel to exit doors from each bedroom are large enough for two average-sized adults to pass and are kept clear and unobstructed.

#### **B. Occupancy and Wastewater**

6. Maximum occupancy shall not exceed two (2) persons per bedroom plus two (2) additional persons, unless a different limit is established by the applicable building code or wastewater system capacity.
7. Properties served by an onsite wastewater treatment system (OWTS) shall have a system adequate for the proposed occupancy. If there is any question as to the adequacy of the system, the Town may require an administrative review of the OWTS prior to approval.
8. Properties served by the Town's municipal sewer system shall comply with all applicable sewer use regulations.

#### **C. Property and Neighborhood Standards**

9. Guest vehicles should be parked in a safe and lawful manner consistent with existing Town parking regulations. When available, off-street parking on the property may be used. However, on-street parking in front of or near the property shall be permitted where it is otherwise allowed under Town parking regulations.
10. Trash and recycling facilities shall be sufficient to address guest impacts and shall be properly maintained.

11. The house number shall be clearly visible from the street.
12. If a sign is used to advertise the short-term rental, the sign shall not exceed ten (10) square feet and shall comply with any applicable sign regulations in the Paonia Municipal Code.
13. Outdoor amplified sound shall cease by 10:00 p.m. Sunday through Thursday and by 11:00 p.m. Friday and Saturday, consistent with the Town's existing noise and nuisance provisions.

#### **D. Guest Information and Contact**

14. Guests shall be provided with the 24-hour contact telephone number of the Local Contact Person (or owner/operator, if residing on-site).
15. Emergency contact information, including the Paonia Police Department non-emergency number and 911, shall be posted in a visible location inside the rental unit.
16. The approved Short-Term Rental Registration shall be posted in a location visible to visiting guests.

#### **E. Insurance**

17. The property shall have an insurance policy adequate for short-term rental operations. The operator shall maintain such coverage for the duration of the Registration. Operators using 3<sup>rd</sup> party booking platforms like [Airbnb](#) and [VRBO](#) have up to \$1 million in liability coverage.

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### **SECTION 6. LISTING AND ADVERTISING REQUIREMENTS**

- A.** All advertisements and online listings for a short-term rental within the Town of Paonia shall include the Town-issued Registration number.
- B.** No person shall advertise or list a short-term rental that does not hold a current, valid Registration.

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### **SECTION 7. NEIGHBOR NOTIFICATION**

- A.** Upon approval of a Registration, the Town shall provide written notice to all property owners within 300 feet of the short-term rental. The notification shall include:

1. The address of the short-term rental.
2. The name of the operator or Local Contact Person.
3. The 24-hour contact telephone number.

**B.** Upon request, the operator shall provide neighbors with the name and 24-hour contact telephone number of the Local Contact Person.

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## **SECTION 8. ENFORCEMENT AND COMPLAINTS**

### **A. Complaint-Based Enforcement**

Enforcement of this Article shall be primarily complaint-based. The Town shall maintain a record of all written complaints received concerning a registered short-term rental.

### **B. Complaint Process**

1. Any person may file a written complaint with the Town Administrator regarding a violation of this Article.
2. The Town Administrator or designee shall notify the operator and the Local Contact Person of the complaint within five (5) business days.
3. The operator shall have fifteen (15) calendar days from notification to respond in writing and, if applicable, to remedy the violation.

### **C. Escalating Penalties**

1. **First documented violation:** Written warning.
2. **Second documented violation within a twelve-month period:** Fine of \$150.00.
3. **Third documented violation within a twelve-month period:** Fine of \$300.00 and suspension of Registration for up to ninety (90) days.
4. **Fourth or subsequent documented violation within a twelve-month period, or failure to remedy a prior violation:** Revocation of Registration.

### **D. Revocation**

1. If a Registration is revoked, a new Registration shall not be issued for the same property for a period of at least one (1) year from the date of revocation.
2. The operator shall cease all short-term rental activity immediately upon revocation.

### **E. Operating Without Registration**

Any person who operates a short-term rental without a valid Registration shall be subject to a fine of \$300.00 per occurrence. Each day of operation without a Registration shall constitute a separate occurrence.

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## **SECTION 9. APPEALS**

**A.** Any applicant or operator aggrieved by a determination, interpretation, or decision of the Town Administrator under this Article may appeal such action to the Board of Trustees.

**B.** The appeal shall be in writing, shall state the basis for the appeal, and shall be filed with the Town Clerk within thirty (30) days of the action being appealed.

**C.** Appeals shall be limited to determining whether the Town Administrator has misread, misinterpreted, or misapplied a provision of this Article — not for relief from a standard or requirement itself.

**D.** The Board of Trustees shall hear the appeal at a regular or special meeting no later than forty-five (45) days after the written appeal is received.

**E.** The decision of the Board of Trustees shall be final.

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## **SECTION 10. TWELVE-MONTH REVIEW AND SATURATION THRESHOLD**

### **A. Annual Review**

No later than twelve (12) months after the effective date of this Ordinance, and annually thereafter, the Town Administrator shall present to the Board of Trustees a written report evaluating the following:

1. The total number of registered short-term rentals and their share of total housing units, as determined by the most recent U.S. Census Bureau data or American Community Survey estimate available to the Town.
2. The total number and nature of complaints received.
3. The administrative burden and cost of administering this Article.
4. Any documented changes in housing availability or rental market conditions that are directly attributable to short-term rental activity.

5. Any recommendations for amendments to this Article, supported by documented local data.

## **B. Saturation Review Threshold**

1. If, at the time of any annual review, the total number of registered short-term rentals equals or exceeds **eight percent (8%)** of total housing units within the Town, the Town Administrator shall note this finding in the report and the Board of Trustees shall, within ninety (90) days of receiving the report, initiate a public process to evaluate whether additional measures are warranted. Such measures may include, but are not limited to, a temporary pause on new Registrations, a numerical cap, or other proportional responses.
2. The saturation review threshold established in this subsection is a trigger for deliberation, not a self-executing cap. No Registration that has been issued prior to the threshold being reached shall be suspended, revoked, or rendered invalid solely by reason of the threshold being met. Existing Registrations shall remain valid through the remainder of their three-year term and shall be eligible for renewal unless revoked for cause under Section 8 of this Article.
3. Any Registration application that is complete and pending at the time the threshold finding is reported shall be processed and decided under the standards in effect at the time of submission.
4. If the Board of Trustees determines, after public hearing, that no additional measures are warranted despite the threshold being reached, the Board shall state its reasons in writing and the Town shall continue to accept and process new Registration applications.
5. The Board of Trustees may, by resolution, adjust the saturation review threshold established in this subsection if supported by documented local data and adopted following a public hearing.

## **C. Public Hearing**

The Board of Trustees shall hold a public hearing to receive community input on each annual report prepared under this Section.

## **D. Standard for Amendment**

Amendments to this Article shall be made only if justified by documented local data and consistent with the proportional, safety-focused intent of this Ordinance.

## **SECTION 11. SCOPE AND LIMITATIONS**

A. This Article does not establish any cap or numerical limit on the number of short-term rental Registrations.

B. This Article does not impose minimum spacing or density buffer requirements between short-term rentals.

C. This Article does not require a special use review or conditional use permit for the operation of a short-term rental, provided the operator complies with all requirements herein.

D. Nothing in this Article shall be construed to prohibit the renting of rooms on a monthly or longer basis as permitted under §16-11-20 and §16-11-30 of the Paonia Municipal Code.

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## **SECTION 12. SEVERABILITY**

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this Ordinance.

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## **SECTION 13. EFFECTIVE DATE**

This Ordinance shall take effect thirty (30) days after passage and publication as required by law.

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## **SECTION 14. REPEALER**

All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

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**INTRODUCED, READ, AND REFERRED** before the Board of Trustees for the Town of Paonia, Colorado, on the \_\_\_\_ day of \_\_\_\_\_, **20**.

**HEARD AND FINALLY ADOPTED** by the Board of Trustees for the Town of Paonia, Colorado, on the \_\_\_\_ day of \_\_\_\_\_, **20**.

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TOWN OF PAONIA, COLORADO

By: \_\_\_\_\_ Mayor

ATTEST:

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Town Clerk

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*Published: [Date] in [Publication] In effect: [Date]*

# TOWN OF PAONIA

## STR Committee – Phased Work Plan & Forward Timeline

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### Purpose & Objective

The purpose of this overview is to provide structure and forward direction to the committee's work so we can make steady, measurable progress this year. Our objective is to deliver a proportional, enforceable STR ordinance within the Board's year-end deadline while maintaining clarity, administrative feasibility, and public confidence.

This framework is not intended to predetermine specific policy outcomes. Rather, it establishes a phased path forward with defined timelines and deliverables that reflect the Board's guidance, community input, and our shared responsibility to craft an ordinance appropriate to Paonia's scale and character.

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### Why a Phased Approach?

The committee has heard important concerns from trustees, residents, and stakeholders regarding:

- Housing availability
- Investor concentration
- Accountability and nuisance
- Administrative feasibility
- Community trust following repeal

A phased structure allows us to:

- ✓ Address immediate STR-related impacts
  - ✓ Respect staff capacity
  - ✓ Gather verifiable local data
  - ✓ Avoid premature adoption of complex policy tools
  - ✓ Create visible progress by mid-summer
  - ✓ Complete committee work by year-end
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# PHASE 1 – Administrative Foundation

## Target Completion: Late July 2026

Phase 1 focuses only on baseline, enforceable standards:

1. Registration / Permit Number
2. Local Contact Requirement
3. Basic Safety Standards (smoke, CO, fire extinguisher, posted info)
4. Occupancy consistent with legal dwelling/septic limits
5. Tax Compliance Confirmation
6. Operating Standards (quiet hours, parking, trash compliance)
7. Complaint-Based Enforcement
8. Escalating Fines + Revocation
9. 12-Month Review Clause

Phase 1 does NOT include:

- Caps
- Zoning overlays
- Spacing buffers
- Primary residence mandates
- Software systems

This phase establishes immediate accountability and enforceability.

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## Proposed Phase 1 Timeline

March – Confirm structure and scope  
April – Draft administrative language prepared  
May – Committee review and refinement  
June – Public input and adjustments  
July – Board consideration

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# PHASE 2 – Data Review & Policy Evaluation

## Target Completion: November 2026

After Phase 1 adoption:

August–September

- Verify STR count within town limits
- Review complaint data
- Assess enforcement experience

October–November

- Evaluate whether additional policy tools are warranted

Potential Phase 2 tools (only if supported by documented data):

- Caps
- Density or spacing measures
- Primary residence requirements
- Zoning allocation systems

December

- Final recommendation to Board
- 

## Key Deliverables for the Committee

1. Formal adoption of the two-phase structure
  2. Agreement on Phase 1 scope
  3. Verification of current STR count
  4. Assignment of drafting responsibility
  5. Defined target dates
- 

## Guiding Principle

*Adopt a simple, proportional ordinance focused on safety and nuisance first. Review after 12 months. Adjust only if supported by documented local data.*

## Goal for March 3 Meeting

Leave with:

- ✓ Agreement on structure
- ✓ Defined Phase 1 scope
- ✓ Clear timeline
- ✓ Clear next steps

Forward movement by the Committee builds trust, reduces uncertainty, and increases effectiveness.

# Paonia Short-Term Rental (STR) Snapshot

## Verified Local Data | Spring 2026

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- 28 STR units within Paonia town limits
  - Representing 37 total listings (Airbnb + VRBO combined)
  - ~3% of total housing stock (~943 units)
  - 15 additional listings are classified as commercial accommodations
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## What the Data Shows:

### 1. STRs Are a Small Part of the Housing Market

- 28 units = approximately 3% of Paonia's housing
  - Paonia's STR presence remains well below saturation levels seen in resort communities
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### 2. Verified Data vs. Previously Reported Estimates

- This dataset is based on:
  - Property-level review
  - Cross-checking Airbnb and VRBO listings
  - Identification of unique units (not duplicated listings)
  - Tracking of addresses, owners, and listing overlap
- Findings show significantly fewer STRs than previously stated publicly

➔ To date, no clear source or methodology has been cited for earlier, higher estimates or published quoted statements

➔ This highlights the importance of using transparent, verifiable data to guide policy decisions

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### **3. Listings ≠ Units**

- 37 listings reflect platform duplication (Airbnb + VRBO)
- The true number of properties is 28 actual units

➔ Important distinction for accurate policy decisions

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### **4. Commercial vs. Private STRs**

- 28 units → Private, non-commercial STRs
- 15 listings → Commercial accommodations (inns, lodges, etc.)

➔ These are different categories and should be considered separately

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### **5. Most STRs Are Not Full-Time Commercial Operations**

- Many are:
  - Owner-used homes
  - Guest units or studios
  - Part-time rentals

➔ These properties are often not part of the long-term rental pool

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## 6. STRs Are Unlikely to Convert to Long-Term Rentals

- Owner feedback indicates:
  - Very few would convert to LTRs

➔ Restricting STRs is unlikely to increase housing supply

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## 7. STRs Support Tourism and the Local Economy

- STRs provide needed lodging for visitors, especially during:
  - Festivals and events
  - Peak travel seasons
- Guests support:
  - Local restaurants, cafés, wineries, galleries, and shops
  - Farms, markets, and local experiences

➔ STRs help circulate visitor spending directly into the local economy and support Paonia's small businesses and community vitality

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## Key Insight

Accurate, locally verified data shows STRs are limited in number, locally integrated, and not a primary driver of housing availability challenges.

## Bottom Line

We're discussing 28 homes — about 3% of Paonia's housing — based on verified, property-level data, not estimates.

## What This Means for Paonia?

## Context for Discussion

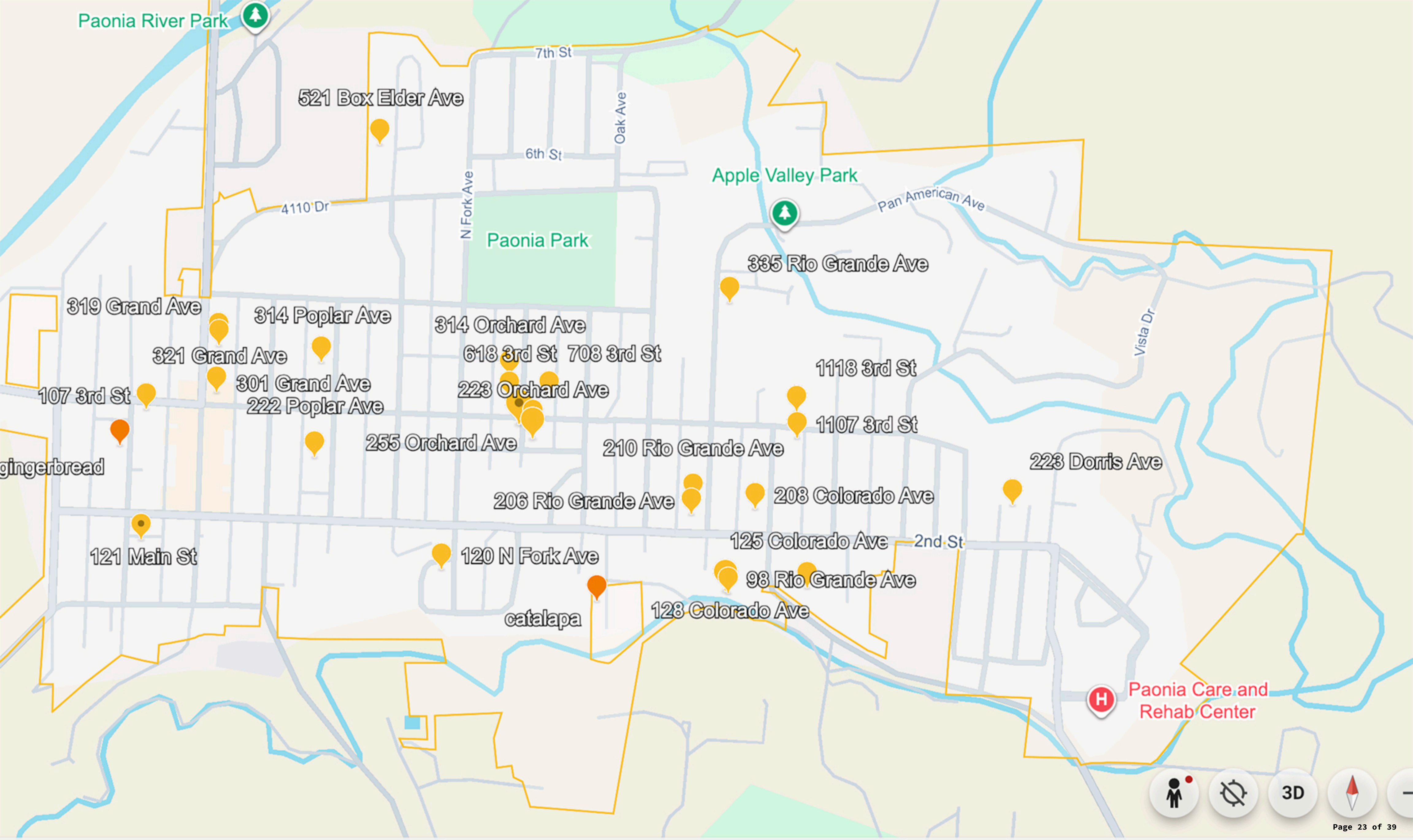
- Paonia is a small, seasonal tourism market (May–Oct peak)
  - STR activity is currently limited in scale and impact
  - Verified data presents a more accurate baseline for decision-making
  - STRs primarily support:
    - Supplemental income for local residents / owners
    - Visitor capacity where hotels are limited
  - Data suggests STRs are not a primary driver of housing shortage
  - STRs contribute positively by:
    - Supporting local businesses
    - Promoting and enabling tourism during key events
  - Policy should reflect:
    - Transparent and verifiable local data
    - Local context, not assumptions or inflated estimates
    - Balanced, proportional, and enforceable regulation
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## Key Takeaways for Policy / Next Steps

- Align on accurate baseline numbers
  - Use verified local data to guide measured decisions that support town-appropriate policy
  - Avoid overregulation based on inflated estimates
  - Focus on:
    - Simple registration
    - Safety + compliance
    - Proportional oversight appropriate for Paonia
  - Continue refining proposed ordinance framework / example with community input
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## Data Source

Compiled from verified STR listings within Paonia town limits (Airbnb, VRBO, and direct review), including unit-level identification, address matching, and platform cross-referencing. This dataset will continue to be refined and updated. Latest version of spreadsheet is available to view upon request. Prepared for Town of Paonia STR discussions, by Sandy Graves for Common Ground



Paonia River Park

521 Box Elder Ave

7th St

6th St

Oak Ave

Apple Valley Park

Pan American Ave

N Fork Ave

Paonia Park

335 Rio Grande Ave

319 Grand Ave

314 Poplar Ave

314 Orchard Ave

321 Grand Ave

301 Grand Ave

222 Poplar Ave

618 3rd St 708 3rd St

223 Orchard Ave

1118 3rd St

1107 3rd St

107 3rd St

255 Orchard Ave

210 Rio Grande Ave

223 Dorris Ave

gingerbread

206 Rio Grande Ave

208 Colorado Ave

125 Colorado Ave

2nd St

121 Main St

120 N Fork Ave

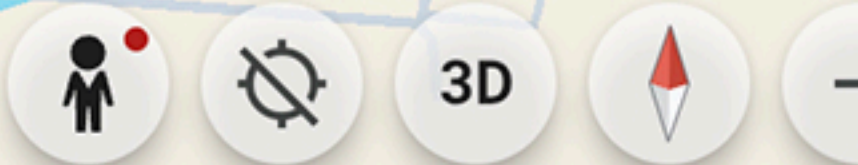
98 Rio Grande Ave

128 Colorado Ave

catalapa



Paonia Care and Rehab Center



# Short-Term Rental (STR) Framework

## Key Recommendations for the Town of Paonia

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### Purpose of This Framework

This document outlines a simple, proportional, and enforceable approach to short-term rentals (STRs) in Paonia.

It is intended to support the Town's discussion by presenting a practical framework based on local conditions, community input, and administrative feasibility.

This is not a proposed ordinance, but a set of recommendations for consideration and refinement, based on what we (Common Ground and Paonia community) heard and learned through surveys over the past 18 months, and what we recommend.

It is also intended to help the Town move forward efficiently toward a policy that can be implemented in the near term.

This approach is intended to result in a policy that is both effective and broadly supported by the community.

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### Context Considerations

This framework is designed with the following in mind:

- The Town's current limited staffing and administrative capacity
  - The importance of efficient use of public resources
  - The need to adopt a policy that is clear, workable, and durable over time
  - Community feedback indicating a preference for a simple, proportional approach
  - The importance of adopting an approach that can be implemented without creating additional administrative strain
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# Guiding Principles

This framework is grounded in:

- **Proportionality** – Align regulation with actual scale and impact
  - **Simplicity** – Keep systems easy to administer and follow
  - **Safety First** – Focus on life safety and real risks
  - **Accountability** – Ensure clear responsibility and contactability
  - **Data Over Assumptions** – Adjust policy based on local evidence
  - **Administrative Feasibility** – Reflect Town capacity and resources
  - **Community Balance** – Support residents, neighborhoods, and local economy
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## 1. Definitions (Recommended)

**Short-Term Rental (STR):** The rental of a dwelling unit, or any portion thereof, for fewer than 30 consecutive days, in exchange for compensation.

This includes both entire homes and individual rooms within a home, recognizing that hosted stays are often lower-impact and aligned with Paonia’s community character and existing housing patterns.

**Dwelling Unit:** A single-family home, accessory dwelling unit (ADU), or other permitted residential structure.

**Operator:** The owner or authorized manager responsible for the STR.

**Local Contact Person:** A person located within ~30 miles, available 24/7 to respond to issues.

---

## 2. Registration Approach (Recommended)

A simple registration system is recommended:

- STR operation would require a Town-issued registration
- Registration valid for three (3) years
- Registration is non-transferable

- Existing operators provided a reasonable compliance window

*This approach supports accountability while minimizing administrative burden. This approach also avoids the need for more complex permitting or discretionary review processes.*

---

### **3. Application Information (Recommended)**

Applications would include:

- Property address
  - Owner/operator contact information
  - Local contact (if off-site)
  - Number of bedrooms and maximum occupancy
  - Property type (home, ADU, etc.)
  - Management type (on-site or off-site)
  - Anticipated use (year-round, seasonal, or occasional)
  - Proof of ownership or authorization
  - Self-certification of compliance with safety standards
- 

### **4. Fees (Recommended)**

- Fees should be limited to cost recovery
  - Suggested range:
    - ~\$75 (room rentals)
    - ~\$100 (entire dwelling units)
    - Per three-year period
-

## 5. Tax Compliance (Recommended)

- STR operators should comply with all applicable taxes
  - Third-party platforms may collect/remit taxes on behalf of operators
  - Documentation should be available upon request
- 

## 6. Safety & Operating Standards (Recommended)

A self-certification model is recommended, focusing on core safety:

### Life Safety

- Smoke detectors in bedrooms and hallways
- Carbon monoxide detectors where applicable
- Egress-compliant sleeping areas
- Fire extinguisher in kitchen
- Clear exit pathways

### Occupancy & Infrastructure

- Suggested occupancy: 2 persons per bedroom + 2 additional
- Wastewater systems (if applicable) must be adequate

### Property & Neighborhood Standards

- Safe and lawful parking
- Adequate trash and recycling
- Visible address
- Compliance with existing noise regulations

## **Guest Information**

- Provide local contact information
- Post emergency information
- Display registration (if required)

## **Insurance**

- Maintain appropriate STR liability coverage
- 

## **7. Listing & Advertising (Recommended)**

- Listings would include a registration number
  - Only registered STRs may be advertised
- 

## **8. Neighbor Communication (Recommended)**

- Upon request, operators would provide local contact information
- 

## **9. Complaint-Based Enforcement (Recommended)**

A complaint-based approach is recommended:

### **Process:**

1. Written complaint submitted
2. Operator notified
3. Opportunity to respond and resolve

### **Escalation (example structure):**

- First: Warning

- Second: Fine
- Third: Increased fine and/or suspension
- Ongoing issues: possible revocation

*This approach focuses on actual impacts rather than assumptions. This approach is intended to prioritize resolution and compliance, while providing clear consequences for repeated issues.*

---

## **10. Data Tracking & Annual Review (Recommended)**

The Town could conduct an annual review tracking:

- Number of STRs
- Percentage of housing stock
- Complaint data
- Administrative cost
- Any measurable housing impacts

*This ensures future decisions can be based on local data specific to Paonia.*

---

## **11. Saturation Review Threshold (Recommended)**

- Suggested review trigger at ~8% of housing stock\* (refer to additional context)
- This is not a cap
- It serves as a point for:
  - Data review
  - Public discussion
  - Consideration of adjustments if needed

Existing STRs would remain valid and unaffected.

## \* **Additional Context for Saturation Review Threshold**

The suggested ~8% review threshold is intended as a proactive monitoring tool, informed by observed saturation levels in resort-oriented communities.

In those markets, higher concentrations of short-term rentals have been associated with more noticeable impacts on housing availability and neighborhood dynamics.

Paonia is currently **well below those levels**, and this threshold is intended to:

- Provide early visibility if STR activity increases
- Allow the Town to review local data before issues emerge
- Support measured, data-driven decisions rather than reactive policy changes

*This approach helps the Town monitor trends and respond early, without imposing restrictions prematurely.*

---

## **12. Zoning Considerations (Recommended Approach)**

Given Paonia's compact size (less than one square mile) and the close proximity of residential, commercial, and mixed-use areas, a highly differentiated zoning-based approach to short-term rentals may offer limited practical benefit.

A simpler, town-wide framework is likely to be:

- Easier to administer
- More consistent to enforce
- More aligned with existing land use patterns

Consideration could be given to limited exceptions, such as:

- Mobile home park districts
- Other specific areas where different housing dynamics clearly warrant a distinct approach

*A consistent, town-wide STR framework is recommended as a starting point, with targeted exceptions only where clearly justified by local conditions.*

---

## 14. Scope & Limitations (Recommended)

This framework does not recommend:

- STR caps
- Spacing requirements
- Special use permits
- Complex approval processes

*These tools may be considered in the future only if supported by local data. This helps ensure the framework remains simple, predictable, and administratively manageable.*

---

## 15. Local Ownership & Community Considerations

Community input has raised concerns about the potential for non-local investors to purchase properties primarily for short-term rental use.

While ownership restrictions can be complex to implement and enforce, this framework helps address those concerns through several practical mechanisms:

- Registration requirements and transparency provide visibility into STR activity
- Local contact requirements ensure accountability within the community
- Complaint-based enforcement ensures properties that create issues are addressed
- Inclusion of hosted stays (room rentals) supports local homeowners and lower-impact STR use
- Data tracking and annual review allow the Town to monitor trends in ownership and usage over time

*Together, these elements help ensure STR activity remains compatible with community expectations, while allowing the Town to respond if patterns change in the future.*

---

## Closing Perspective

Paonia has an opportunity to adopt a balanced, right-sized approach to STRs that:

- Reflects the will of voters and our community
- Supports local homeowners and hosted stays
- Protects neighborhood character
- Remains simple and enforceable

A registration-based, safety-focused, and data-driven approach provides a clear and practical path forward.

This approach is intended to result in a policy that is both effective and broadly supported by the community.

---

## Key Takeaway

*A simple, registration-based system is the most practical, enforceable, and community-aligned approach for Paonia at this time.*

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## 2. EXAMPLE “VISUALIZATION” ORDINANCE

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*Here is an illustrative example to help visualize how a simple STR framework could be structured.*

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### Intro

This section is provided to help visualize how a registration-based short-term rental (STR) framework could be structured in practice.

It is not intended as a proposed ordinance, but as a working example to support discussion, refinement, and adaptation by the Town of Paonia and STR Ad Hoc Committee, and local residents.

---

### SECTION 1. DEFINITIONS

For the purposes of this framework, the following terms would apply:

#### **A. Short-Term Rental (STR)**

The rental of a dwelling unit, or any portion thereof, for a period of fewer than thirty (30) consecutive days, in exchange for compensation. This includes both the rental of entire dwelling units and individual rooms within a dwelling unit.

This does not include hotels, motels, or lodging facilities regulated under other provisions of the Paonia Municipal Code, nor the rental of rooms on a monthly or longer basis.

#### **B. Dwelling Unit**

A single-family home, an accessory dwelling unit (ADU), a detached accessory structure with sleeping accommodations, or any other residential structure permitted for habitation.

#### **C. Operator**

The property owner, or a person or entity authorized by the property owner, responsible for managing and operating the STR.

#### **D. Local Contact Person**

A person located within approximately thirty (30) miles of the property who is available twenty-four (24) hours per day to respond to complaints, emergencies, or inquiries.

## **E. Registration**

Approval granted by the Town authorizing operation of a short-term rental in accordance with this framework.

---

## **SECTION 2. REGISTRATION**

Operation of a short-term rental would require a valid registration issued by the Town.

- Registration would be valid for a period of three (3) years
  - Registration would be non-transferable
  - A new owner would be required to obtain a new registration prior to operation
  - Existing operators could be provided a reasonable compliance period
- 

## **SECTION 3. APPLICATION AND FEES**

Applications would be submitted to the Town Administrator or designee and could include:

1. Property address
2. Applicant name and relationship to the property
3. Mailing address, phone number, and email
4. Local contact information (if operator is off-site)
5. Owner information (if different from applicant)
6. Number of bedrooms and maximum occupancy
7. Property type (home, ADU, or accessory structure)
8. Management type (on-site or off-site)
9. Anticipated availability (year-round, seasonal, or occasional)
10. Proof of ownership or authorization to operate

## 11. Self-certification affirming compliance with safety and operating standards

Fees would be set to recover administrative costs only.

Example: approximately \$75 (room rentals) and \$100 (entire dwelling units) per three-year period.

The Town Administrator could approve or deny applications within a reasonable timeframe.

---

## **SECTION 4. TAX COMPLIANCE**

Operators would be responsible for collecting and remitting all applicable local and state taxes.

Where third-party platforms collect and remit taxes on behalf of the operator, documentation of such arrangements could be maintained and provided upon request.

---

## **SECTION 5. SAFETY AND OPERATING STANDARDS**

By submitting a registration application, the operator would affirm compliance with the following standards:

### **A. Life Safety**

- All sleeping areas have compliant emergency egress
- Smoke detectors are installed in bedrooms and adjacent hallways
- Carbon monoxide detectors are installed where applicable
- A fire extinguisher is located near the kitchen
- Exit pathways are clear and unobstructed

### **B. Occupancy and Infrastructure**

- Suggested occupancy: two (2) persons per bedroom plus two (2) additional
- Properties served by onsite wastewater systems would have adequate capacity

### **C. Property and Neighborhood Standards**

- Parking complies with existing Town regulations
- Trash and recycling facilities are sufficient and maintained
- The property address is clearly visible from the street
- Outdoor noise complies with existing Town regulations

### **D. Guest Information**

- Guests are provided with local contact information
- Emergency contact information is posted inside the unit
- Registration information is displayed if required

### **E. Insurance**

- Appropriate short-term rental liability coverage is maintained
- 

## **SECTION 6. LISTING AND ADVERTISING REQUIREMENTS**

All listings and advertisements would include the Town-issued registration number.

Only registered short-term rentals would be advertised or offered for rent.

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## **SECTION 7. NEIGHBOR COMMUNICATION**

Upon request, the operator could provide neighbors with the name and contact information of the local contact person.

---

## **SECTION 8. ENFORCEMENT AND COMPLAINTS**

Enforcement would be primarily complaint-based.

## **Complaint Process**

1. A written complaint may be submitted to the Town
2. The operator and local contact would be notified
3. The operator would have an opportunity to respond and address the issue

## **Escalating Response**

- First documented violation: written warning
- Second: modest fine
- Third: increased fine and/or temporary suspension
- Continued or unresolved violations: possible revocation

Operating without a valid registration could result in a fine.

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## **SECTION 9. APPEALS**

Applicants or operators could appeal administrative decisions to the Board of Trustees within a defined timeframe.

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## **SECTION 10. REVIEW AND SATURATION THRESHOLD**

The Town could conduct an annual review evaluating:

- Total number of STRs
- Percentage of housing stock
- Number and type of complaints
- Administrative costs
- Any measurable housing impacts

## Saturation Review Trigger

If STRs reach approximately 8% of total housing units:

- This would trigger a public review and discussion
  - It would not function as a cap
  - Existing registrations would remain valid
- 

## SECTION 11. SCOPE AND LIMITATIONS

This framework does not include:

- Caps on STRs
- Spacing or density requirements
- Special use permits or discretionary approval processes

These tools could be considered in the future if supported by local data.

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### Note on Intent

This example reflects a registration-based, safety-focused, and complaint-driven approach designed to align with Paonia's scale, community character, and administrative capacity. It is intended to provide a clear and practical starting point for discussion, and may be modified as needed.

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### In Closing, the key elements are:

- A simple registration system
- A strong focus on safety
- Complaint-based enforcement
- And a data-driven review process

***Given where things are now, the priority isn't to design the most complex system—it's to adopt a simple, workable, and viable solution. Let's start simple. Track data. Adjust as needed.***

number	listing link	listing number- imbeded in web link on Airbnb	STR Name	Platforms used	total listings	owner / manager	# of guests
1	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	142494557041396038	The Church in Paonia	Airbnb	1	Lori Hunter	2
2	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	34546656	Entire home in Paonia	Airbnb	1	Shirley Yeamans	11
3	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	823953678458894660	Starlight Studio	Airbnb VRBO	2	Laurene & Roger	2
4	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	33315925	3rd Street Artists Retreat	Airbnb	1	Sandy Graves	4
5	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	49715502	Peaceful in-town Oasis	Airbnb	1	Daniel & Megan Lawson/ L	6
6	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	43945499	Tiny Home in Paonia	Airbnb	1	Maegen leake	2
7	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	952899119204125218	Rio Grande Historic Haven	Airbnb	1	Monica Hefferman/ LM	6
9	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	156130699119139054	Charming house in the town of	Airbnb	1	Stephanie Gray /LM	4
10	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	52932522	Laura's Tower	Airbnb VRBO	2	Kale Casey	2
11	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	34566917	Cozy, totally remodeled, Quiet	Airbnb	1	Shirley Yeamans	5
12	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	574766817787879100	Leaf Peepers	Airbnb	1	David Noe	4
13	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	51785787	Paonia Brick House	Airbnb	1	Jen Anderson	4
14	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	896490031080668285	Grand Avenue House	Airbnb	1	Michelle pitt	8
15	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	213082	The Garden Cottage in Paonia	Airbnb	2	Jay Canode	2
17	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	110028565005082576	Cozy Basement Apartment	Airbnb	1	Carrie Soto	4
18	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	46411973	Downtown Paonia With Swings	Airbnb VRBO	3	Lori Mason	6
19	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	916866890795127002	Gorgeous New Home in Paonia	Airbnb VRBO	2	Julie & Marc Bennett	2
20	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	24456043	Cottage Studio	Airbnb VRBO	2	Greta Jones	2
22	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	901696589451760437	Charming Paonia Bungalow	Airbnb	1	Soraya 9705965078	3
23	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	52628875	Ground Floor Apartment	Airbnb	1	Willow	4
26	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	138867144538477740	The Gingerbread House	Airbnb	1	Anthony	2
27	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	18057942	Quiet In-Town Beige Room	Airbnb	1	Deborah Spiegel	2
28	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	19769102	Quiet In-Town Flower Room	Airbnb	1	Deborah Spiegel	2
29	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	117061244930135986	Elegant Paonia Home	Airbnb	1	Josephine Edmonson	4
30	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	154203807160945096	Modern Rustic In-Town	Airbnb	1	Charlene Olsen /LM	2
31	<a href="https://www.airbnb.com">https://www.airbnb.com</a>	4586986	Kales Cottage	Airbnb VRBO	2	Kale Casey	2
32	<a href="https://www.vrbo.com/2">https://www.vrbo.com/2</a>	2954756	Grand Casa	VRBO	1	Lori Marek	4
<b>27 Units</b>					<b>36 listings</b>		<b>101</b>
			<b>Hotels on Airbnb/Vrbo</b>				
8			Sweet Grass	Airbnb	4	Aimee	8 total
21	<a href="https://www.vrbo.com/4">https://www.vrbo.com/4</a>	v-#4773226	Hotel Loft (Rocky Mt. Inn)	Airbnb/VRBO	2	Arlen	6
24			Local Nomad	Airbnb	8	Michelle&Thomas	14 total
25			Charming Downtown (Rocky M	Airbnb	1	Arlen	4
					<b>15 listings</b>		<b>32</b>