



Town of Paonia
214 Grand Avenue
Tuesday, May 19, 2026 5:00 PM
Town Board Agenda

Public Participation: Please raise your hand and wait to be recognized by the Facilitator, come to the podium and state your name and whether you live in town or out of town. Time limit is 3 minutes, one time per item, there are instructions at the podium for the timer light. Please direct all comments to the Facilitator. Please be respectful and help to maintain decorum by not engaging in derogatory and/or demeaning statements or public displays.

A) Call to Order

B) Approval of Agenda

C) Actions Items

Public comments must be related to the agenda item, 3-minute time limit.

1) Review the results of the previous meeting:

a.) Two main items: Single-Room Short-Term Rental and Approach for licensing single room rentals. See the Living Doc.

b.) Do we want to revisit these topics, e.g., get more specific about the approach, discuss transferability? Survey results?

2) Discuss the time frame included in the definition for primary residence.

3) Discuss owner occupied vs. non-owner-occupied dwelling units as STRs.

4) Public Comment

5) Establish the agenda and preparation materials needed for the next meeting (relevant sections from the repealed ordinance, the Common Ground proposal, and municipal code). Survey questions?

D) Adjournment

As Adopted by:
Town of Paonia, Colorado
Resolution No. 2017-10 – Amended May 22, 2018

I. Rules of Procedure

Section 1. Schedule of Meetings. Regular Board of Trustees meetings shall be held on the second and fourth Tuesdays of each month, except on legal holidays, or as re-scheduled or amended and posted on the agenda prior to the scheduled meeting.

Section 2. Officiating Officer. The meetings of the Board of Trustees shall be conducted by the Mayor or, in the Mayor's absence, the Mayor Pro-Tem. The Town Clerk or a designee of the Board shall record the minutes of the meetings.

Section 3. Time of Meetings. Regular meetings of the Board of Trustees shall begin at 6:30 p.m. or as scheduled and posted on the agenda. Board Members shall be called to order by the Mayor. The meetings shall open with the presiding officer leading the Board in the Pledge of Allegiance. The Town Clerk shall then proceed to call the roll, note the absences and announce whether a quorum is present. Regular Meetings are scheduled for three hours, and shall be adjourned at 9:30 p.m., unless a majority of the Board votes in the affirmative to extend the meeting, by a specific amount of time.

Section 4. Schedule of Business. If a quorum is present, the Board of Trustees shall proceed with the business before it, which shall be conducted in the following manner. Note that all provided times are estimated:

- (a) Roll Call - (5 minutes)
- (b) Approval of Agenda - (5 minutes)
- (c) Announcements (5 minutes)
- (d) Recognition of Visitors and Guests (10 minutes)
- (e) Consent Agenda including Approval of Prior Meeting Minutes (10 minutes)
- (f) Mayor's Report (10 minutes)
- (g) Staff Reports: (15 minutes)
 - (1) Town Administrator's Report
 - (2) Public Works Reports
 - (3) Police Report
 - (4) Treasurer Report
- (h) Unfinished Business (45 minutes)
- (i) New Business (45 minutes)
- (j) Disbursements (15 minutes)
- (k) Committee Reports (15 minutes)
- (l) Adjournment

* This schedule of business is subject to change and amendment.

Section 5. Priority and Order of Business. Questions relative to the priority of business and order shall be decided by the Mayor without debate, subject in all cases to an appeal to the Board of Trustees.

Section 6. Conduct of Board Members. Town Board Members shall treat other Board Members and the public in a civil and polite manner and shall comply with the Standards of Conduct for Elected Officials of the Town. Board Members shall address Town Staff and the Mayor by his/her title, other Board Members by the title of Trustee or

the appropriate honorific (i.e.: Mr., Mrs. or Ms.), and members of the public by the appropriate honorific. Subject to the Mayor's discretion, Board Members shall be limited to speaking two times when debating an item on the agenda. Making a motion, asking a question or making a suggestion are not counted as speaking in a debate.

Section 7. Presentations to the Board. Items on the agenda presented by individuals, businesses or other organizations shall be given up to 5 minutes to make a presentation. On certain issues, presenters may be given more time, as determined by the Mayor and Town Staff. After the presentation, Trustees shall be given the opportunity to ask questions.

Section 8. Public Comment. After discussion of an agenda item by the Board of Trustees has concluded, the Mayor shall open the floor for comment from members of the public, who shall be allowed the opportunity to comment or ask questions on the agenda item. Each member of the public wishing to address the Town Board shall be recognized by the presiding officer before speaking. Members of the public shall speak from the podium, stating their name, the address of their residence and any group they are representing prior to making comment or asking a question. Comments shall be directed to the Mayor or presiding officer, not to an individual Trustee or Town employee. Comments or questions should be confined to the agenda item or issue(s) under discussion. The speaker should offer factual information and refrain from obscene language and personal attacks.

Section 9. Unacceptable Behavior. Disruptive behavior shall result in expulsion from the meeting.

Section 10. Posting of Rules of Procedure for Paonia Board of Trustees Meetings. These rules of procedure shall be provided in the Town Hall meeting room for each Board of Trustees meeting so that all attendees know how the meeting will be conducted.

II. Consent Agenda

Section 1. Use of Consent Agenda. The Mayor, working with Town Staff, shall place items on the Consent Agenda. By using a Consent Agenda, the Board has consented to the consideration of certain items as a group under one motion. Should a Consent Agenda be used at a meeting, an appropriate amount of discussion time will be allowed to review any item upon request.

Section 2. General Guidelines. Items for consent are those which usually do not require discussion or explanation prior to action by the Board, are non-controversial and/or similar in content, or are those items which have already been discussed or explained and do not require further discussion or explanation. Such agenda items may include ministerial tasks such as, but not limited to, approval of previous meeting minutes, approval of staff reports, addressing routine correspondence, approval of liquor licenses renewals and approval or extension of other Town licenses. Minor changes in the minutes such as non-material Scribner errors may be made without removing the minutes from the Consent Agenda. Should any Trustee feel there is a material error in the minutes, they should request the minutes be removed from the Consent Agenda for Board discussion.

Section 3. Removal of Item from Consent Agenda. One or more items may be removed from the Consent Agenda by a timely request of any Trustee. A request is timely if

made prior to the vote on the Consent Agenda. The request does not require a second or a vote by the Board. An item removed from the Consent Agenda will then be discussed and acted on separately either immediately following the consideration of the Consent Agenda or placed later on the agenda, at the discretion of the Board.

III. Executive Session

Section 1. An executive session may only be called at a regular or special Board meeting where official action may be taken by the Board, not at a work session of the Board. To convene an executive session, the Board shall announce to the public in the open meeting the topic to be discussed in the executive session, including specific citation to the statute authorizing the Board to meet in an executive session and identifying the particular matter to be discussed "in as much detail as possible without compromising the purpose for which the executive session is authorized." In the event the Board plans to discuss more than one of the authorized topics in the executive session, each should be announced, cited and described. Following the announcement of the intent to convene an executive session, a motion must then be made and seconded. In order to go into executive session, there must be the affirmative vote of two thirds (2/3) of Members of the Board.

Section 2. During executive session, minutes or notes of the deliberations should not be taken. Since meeting minutes are subject to inspection under the Colorado Open Records Act, the keeping of minutes would defeat the private nature of executive session. In addition, the deliberations carried out during executive session should not be discussed outside of that session or with individuals not participating in the session. The contexts of an executive session are to remain confidential unless a majority of the Trustees vote to disclose the contents of the executive session.

Section 3. Once the deliberations have taken place in executive session, the Board should reconvene in regular session to take any formal action decided upon during the executive session. If you have questions regarding the wording of the motion or whether any other information should be disclosed on the record, it is essential for you to consult with the Town Attorney on these matters.

IV. Subject to Amendment

Section 1. Deviations. The Board may deviate from the procedures set forth in this Resolution, if, in its sole discretion, such deviation is necessary under the circumstances.

Section 2. Amendment. The Board may amend these Rules of Procedures Policy from time to time.

Ad Hoc STR Committee Meeting

Date: May 5, 2026

Executive Summary

The Short-Term Rental (STR) Committee convened to continue discussions regarding recommendations for future STR regulations within the Town of Paonia. It was my (Scott Brown's) first meeting in the role of facilitator, and Trustee Fisher's first meeting as well. I took the opportunity to make an opening statement to support everyone being on the same page.

I stressed the importance of respectful dialogue, constructive participation, and maintaining focus on the topic of the moment. It was acknowledged that while STR regulation has been a contentious issue, the town is moving forward with regulation and the committee's task is to determine reasonable and workable approaches. The committee's advisory role was also emphasized.

Topic Discussion Summaries

1. Committee Process and Public Engagement

The committee reviewed expectations for meeting conduct, public engagement, and committee process. Discussion included:

- Maintaining respectful and concise public participation,
- Avoiding off-topic exchanges,
- Using post-meeting surveys for written public input,
- The importance of transparency and accessibility of meeting materials,
- The need for advance packets and projected materials during meetings.

Future meetings should organize supporting documents and have key items projected to allow committee members and the public more effective participation.

2. Clarification of Committee Scope

The seven topics assigned by the Board of Trustees for review and recommendation were highlighted. It was noted that previous community work, including the "Common Ground" proposal, addressed STR regulations more comprehensively than the narrower direction currently assigned by the Board.

It was clarified that:

- The Board of Trustees has directed the committee to focus on the identified topics;

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Executive Summary

- Existing materials, including the repealed ordinance and Common Ground recommendations, will be used as reference materials, as appropriate;
- The committee’s responsibility is to recommend workable approaches rather than debate whether STRs should exist.

3. Prioritization of Discussion Topics

The committee agreed to begin with:

- Definitions related to single-room rentals, and
- Licensing approaches for those rentals.

Members felt these topics were manageable starting points.

The town administrator explained that any future STR recommendations must remain consistent with existing zoning definitions and municipal code structure.

Committee members also discussed the importance of having future meeting packets include:

- Relevant municipal code sections,
- Copies of the repealed ordinance,
- Copies of the Common Ground proposal,
- Other supporting reference materials as needed.

4. Definition of a Single-Room Short-Term Rental

The committee reviewed prior ordinance language defining a “single bedroom short-term rental.” Discussion focused on:

- Whether the phrase “primary residence” should remain in the definition,
- Clarifying the meaning of “shared facilities,”
- Distinguishing room rentals from separate dwelling units,
- Determining whether separate bathrooms or basement spaces still qualify as room rentals,

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- Clarifying that separate kitchens generally create separate dwelling units under zoning standards.

The Committee considered other existing information including the Common Ground proposal, and existing municipal code. Public comment was included in the discussion, along with input from Town staff. It was agreed that the existing language found in the repealed ordinance was a good starting point. Several committee members supported simplifying the language and making the definition flexible enough to reflect real-world room-rental situations.

The committee proposed modifying language requiring that: “*all other facilities are shared*” to wording such as: “**facilities may be shared.**”

Members acknowledged the definition may require future refinement as additional STR topics are addressed.

5. Licensing and Registration Approaches

The committee reviewed licensing concepts contained in:

- The repealed STR ordinance, and
- The Common Ground proposal.

Discussion generally favored a simplified registration system rather than a heavily layered permitting process.

The Common Ground proposal included:

- Town-issued registration requirements,
- Multi-year registration periods,
- Complaint-driven enforcement,
- Cost-recovery fee structures,
- Basic application information,
- Self-certification of safety compliance.

Committee members and the public emphasized the importance of:

- Keeping regulations simple,
- Minimizing administrative burden,
- Maintaining affordability for operators,

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- Ensuring regulations are manageable for town staff.

Several participants expressed concern that the repealed ordinance was overly complicated and burdensome, particularly for residents renting rooms within owner-occupied homes.

6. Registration Terms, Renewal Cycles, and Administrative Considerations

The committee discussed possible registration renewal cycles, including:

- Annual renewals,
- Two-year cycles,
- Three-year cycles.

Discussion included:

- Potential benefits of reducing staff workload through longer renewal periods,
- Concerns about tracking multi-year licenses,
- Establishing common renewal dates,
- Using prorated fees for mid-cycle applicants.

Public comment was also included in this discussion, along with input from Town staff. It was agreed that the language in the Common Ground proposal for the most part outlined a workable approach. The recommended three-year registration period had a lot of support. The concept of complaint-driven enforcement was repeatedly referenced as a way to reduce administrative complexity.

The committee also discussed whether STR registrations should be transferable upon sale of a property. Members discussed the possibility of a transfer process requiring new owners to complete compliance review while preserving existing reservations. It was pointed out that transferability could happen along the lines of the process used for liquor licenses. It was agreed to park transferability for further discussion in the future.

7. Future Meeting Topics

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The Committee established the agenda for the next meeting (5.19.26), agreeing to review the results of this meeting and then consider items 6 and 4 from the original list of items provided by the Board of Trustees:

6) Discuss the time frame included in the definition for *primary residence*

4) Owner occupied vs. non-owner-occupied dwelling units as STRs

The Committee outlined the materials needed in preparation: relevant sections from the repealed ordinance, the Common Ground proposal, and municipal code. Committee members also requested that future packets include written summaries of prior discussions and working recommendations.

Public Comment Summary

Public comments and audience participation primarily focused on simplifying the proposed short-term rental framework, clarifying definitions, and reducing administrative burden for residents renting rooms within their homes.

Several commenters expressed concern regarding the proposed definition of a “single bedroom short-term rental,” particularly the phrase requiring that “all other facilities are shared.” Speakers noted that many room-rental arrangements include partially separate living areas, such as basement bedrooms and bathrooms, while still functioning as part of a shared residence. Commenters recommended simplifying or clarifying the language to better reflect real-world housing arrangements.

Multiple participants supported a streamlined registration or licensing process rather than a highly complex permitting structure. Commenters generally favored:

- Simple registration requirements,
- Lower fees,
- Longer renewal cycles,
- Complaint-driven enforcement, and
- Minimal administrative burden on both residents and town staff.

Several speakers discussed the practicality of multi-year registration periods, noting that longer licensing cycles could reduce workload for both STR operators and town administration if implemented with a consistent renewal schedule.

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Questions were raised regarding transferability of STR registrations when a property is sold. Commenters suggested the town consider a transfer or continuation process to avoid disrupting existing reservations while still requiring new owners to complete compliance review and approval.

Additional public comments addressed the broader context of affordable housing. Some speakers questioned whether owner-occupied room rentals meaningfully affect affordable housing availability and suggested that small-scale room rentals differ significantly from whole-house STR operations. Commenters also encouraged the committee to use clear, easy-to-understand language and to keep regulations practical, locally tailored, and manageable for the community.

Next Meeting

Tuesday, May 19, 2026 at 5:00 PM.

Respectfully Submitted,

Scott Brown, facilitator

This document based on an AI-generated meeting summary, first edited by Deputy Clerk Santiago

**TOWN OF PAONIA, COLORADO
ORDINANCE NO. 2024-05**

AN ORDINANCE OF THE TOWN OF PAONIA, COLORADO ENACTING ARTICLE 5 (SHORT TERM RENTAL LICENSES) OF CHAPTER 6 (BUSINESS LICENSES AND REGULATIONS) OF THE PAONIA MUNICIPAL CODE AND REVISING ARTICLES 1 (GENERAL PROVISIONS), ARTICLE 3 (DISTRICT REGULATIONS) OF CHAPTER 16 (ZONING), AND ENACTING ARTICLE 9 (SHORT TERM RENTAL REGULATIONS) OF CHAPTER 16 (ZONING)

WHEREAS, the Town of Paonia, Colorado (the "Town") is a statutory municipality organized pursuant to Colorado Revised Statutes (C.R.S.) §31-1-203; and

WHEREAS, C.R.S. §31-15-201 establishes Administrative Powers for statutory municipalities, and

WHEREAS, Chapter 6 of the Town of Paonia's Municipal Code (the "Code") sets forth the Town's policies for Business Licenses and Regulations; and

WHEREAS, Chapter 16 of the Code sets forth the Town's policies for Zoning regulations; and

WHEREAS, in response to growth pressures and concerns related to the scarcity of affordable and workforce housing, the Town has determined that there is a need to protect the limited supply of affordable housing by regulating the conversion of long-term residential rental properties to short-term rentals and the purchase of homes for the purpose of short-term rentals; and

WHEREAS, short-term rentals contribute to the local economy and support tourist-oriented businesses and allow local homeowners to supplement their income and provide flexibility in renting second homes and portions of their primary residence; and

WHEREAS, the Board of Trustees of the Town held extensive public input meetings and workshops to determine appropriate methods of regulating short-term rentals and through those meetings it was determined that uncontrolled and unregulated short-term rentals may also have a direct effect on the quality and character of the community and individual neighborhoods and properties in Town; and

WHEREAS, the Board of Trustees finds that:

1. Protection of the health, safety, and welfare of the residents of Paonia is a basic and valid responsibility of local government.

2. These amendments to the Paonia Municipal Code do not discriminate against any individual or group of people and such restrictions allow for reasonable accommodation for all individuals as may be required by Federal and State law.
3. The enactment of this Ordinance is necessary to accomplish the goals set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO, THAT THE AMENDMENTS TO THE TOWN OF PAONIA MUNICIPAL CODE ARE HEREBY APPROVED AND ADOPTED.

Section 1. The foregoing recitals are incorporated by reference as findings and determinations of the Board of Trustees.

Section 2. A new Article of the Paonia Municipal Code, to be known as Chapter 6, Article 5, entitled "Short-Term Rental Licenses," is hereby adopted and enacted which shall read as follows:

Chapter 6, Article 5. SHORT TERM RENTAL LICENSES

Sec. 6-5-10. Purposes, Interpretation of Rules.

- (a) Interpretation. This Article shall be construed and applied to promote its underlying purposes and policies.
- (b) Purposes and Policies. The purpose of this Article is to establish license requirements for short-term residential property rentals within the Town of Paonia.

Sec. 6-5-20. Definitions.

The following words and phrases, as used in this Article, shall have the following meanings:

Applicant

A natural person with an ownership interest in a property to be utilized as a short-term rental, including a natural person matching the name of an owner or co-owner on the current vesting deed for the property, or a person with a demonstrated controlling ownership interest in any entity or trust that holds record title to the property.

*Local Contact
Person*

The owner, person designated by the owner, or the owner's authorized agent or representative who shall be available twenty-four (24) hours a day, seven days a week for the purposes of (1) responding within 60-minutes 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.

*Primary
Residence*

A privately-owned residential dwelling or property at which the owner resides for at least two hundred (200) days per year.

*Short - Term
Rental*

A privately-owned Residential dwelling that is wholly available and rented for the purposes of lodging for any period less than thirty (30) consecutive days, a Single Bedroom Short-Term Rental is also a Short-Term Rental but must follow the definition provided for it.

*Single - Bedroom
Short - Term
Rental*

A privately-owned bedroom within a Primary Residence, or within the Core Commercial District (C-1) that is rented for the purpose of lodging any period less than thirty (30) consecutive days, where all other facilities are shared with the owner of the dwelling.

Sec. 6-5-30. License Required.

- (a) It shall be unlawful for any person or entity to operate a Short-Term Rental, or Single - Bedroom Short-Term Rental without first applying for and procuring a license from the Town of Paonia. For all Short-Term Rentals one (1) license is required for the entire Residential dwelling, for Single-Bedroom Short-Term Rentals a license is required for each bedroom listed or intended to be rented out. New licenses shall be subject to ongoing compliance with all applicable Town regulations concerning the licensing and occupancy of Short-Term Rentals.
- (b) In order to operate on or after May 1, 2025, all Paonia Short-Term Rentals must be licensed, or application made no later than April 1, 2025. To qualify for a license, to establish eligibility to hold a license, an applicant must:

(1) Provide proof of ownership of said property, and, if the property is owned by an entity or trust, proof of the applicant's controlling ownership interest in the property must be provided;

(2) Provide either:

- i. Proof that the Short-Term Rental applicant is the property owner; or
- ii. Proof that the applicant's Primary Residence is the same property or on the same property as the Short-Term Rental; and
- iii. Provide proof that all applicable Paonia sales and lodging tax was paid on the Short-Term Rental for which a license is sought for rentals prior to December 31, 2024.

(c) There shall be thirty (30) total combined Short-Term Rental and Single-Bedroom Short-Term Rental licenses initially available.

(d) Licenses will be issued for those properties which are either the applicant's primary residence, or are located within the Core Commercial District (C-1), and the Community Commercial District (C-2), by Special Use Review in the Low-Density Residential District (R-1), the Medium-Density Residential District (R-2), the Higher Density Residential District (R-3) and by Special Use Review in the Estate Residential District (E-1), as defined in Chapter 16 of the Paonia Municipal Code and the Town's Zoning Map.

Sec. 6-5-40. Conditions of Short-Term Rental Licenses.

(a) *Occupancy.* All Short-Term Rentals and Single-Bedroom Short-Term Rentals shall have a maximum occupancy equal to two (2) persons per bedroom plus an additional two (2) persons per property. Children under the age of five (5) shall not count toward this occupancy limitation. The number of bedrooms that may be occupied within each Short-Term Rental or Single-Bedroom Short-Term Rental shall at all times be limited to the number of bedrooms for which fees have been paid pursuant to this Article.

(b) *Private Covenants.* The Town is not a party to and does not enforce most private covenants and agreements. Applicants should therefore review all covenants and agreements that apply to the property they wish to license as a Short-Term Rental because such documents may restrict or prohibit Short-Term Rentals. The Town's issuance of a Short-Term Rental license shall have no legal effect upon any such restrictive covenants or agreements applicable to a property.

(c) *Community Housing Units Not Eligible for Licenses.* No housing, or portion of housing, which is a part of a Community Housing Program or part of any affordable housing

program through the State of Colorado or Delta County, Colorado is eligible for a Short-Term rental license.

(d) *Ongoing Licensee Obligations.* Each Short-Term rental licensee shall have an ongoing obligation to ensure that all of the information provided to the Town in connection with a license application is kept up to date at all times.

(e) *License Numbers.* Each license issued by the Town shall have a local license number for each Short-Term Rental. All advertisements for Short-Term Rentals shall expressly specify the license number for the property listed.

(f) *No Transfer or Assignment.* Each license issued pursuant to this Article shall be personal to the licensee, and no license issued under this Article shall be transferable or valid as to any person or entity other than the named licensee.

(1) If a use as a Short-Term Rentals will continue after the date of a change of ownership of a licensed property, the new owner shall be required to obtain a new license.

(2) There shall be no guarantee that a new license will be available for the new owner of the property.

(3) The issuance and renewal of a license pursuant to this Article is a privilege, not a right, and the Town may determine at any time that the allowance of the use of the property as a Short-Term Rental property is not, or is no longer, in the best interests of the health, safety or welfare of the residents of the Town, and may amend or repeal this Article accordingly.

(g) *Waiting List Established.* Should the maximum number of licenses be filled and there is still a desire for Applicants to submit for a license, a waiting list is established.

(1) A Waitlist application must be submitted and the required twenty-five dollar (\$25) non-refundable fee paid, and the entry will be time stamped and placed on the waitlist in the order it was received.

(2) Applicants will receive an email from the Clerk's office confirming receipt of application as well as a registration number, and their waitlist placement.

(3) Any Applicant that changes the property owner's name or property address after submitting the application will lose their placement on the waitlist and go to the end of the line.

(4) When a license becomes available, the Town will contact the next Applicant on the waitlist via email to inform them that they have fourteen (14) days to

submit a complete Short-Term Rental license application and have it received by the Town.

(5) If a complete application is not received within fourteen (14) days, the Short-Term Rental license will be denied, the Applicant will lose their placement on the waitlist, and no refund will be issued, and the next Applicant on the waitlist will be notified of an available license.

(h) *Local Management Required.* Short-Term Rentals must at all times have a designated Local Contact Person whose contact information must be on file with the Town. It is the responsibility of the Applicant to ensure that the contact information is current.

(1) A Local Contact Person(s) shall be responsible for ensuring compliance with provisions of this Code associated with the Short-Term Rental, including but not limited to compliance with all applicable sales and lodging tax requirements, maintenance of parking areas, removal of snow and ice from sidewalks and pathways, garbage disposal, and other property maintenance requirements.

(2) A Local Contact Person(s) must be available twenty-four (24) hours a day, seven (7) days a week and able to respond within sixty (60) minutes, in person as necessary, to emergencies, any Municipal Code Violations, and/or complaints regarding the condition, operation, occupancy or conduct of the occupants of the Short-Term Rental, and to take remedial action to resolve such violations and/or complaints.

i. A Local Contact Person(s) must comply with provisions of this code in §16-9-10 (d) (3).

(i) *Compliance.* Except as otherwise set forth in this Article, all provisions of the Municipal Code, including but not limited to all provisions to health, sanitation, garbage and refuse, animals, motor vehicles, noise abatement, dark skies and light trespass, zoning, other nuisances, and utility bills are paid current, shall remain fully applicable to all properties licensed for Short-Term Rentals, and compliance with all such provisions shall be deemed a condition of all Short-Term Rental licenses.

Sec. 6-5-50. Application Procedure.

(a) All license applications shall be filed with the Town Administrator, or designee, on forms supplied by the Town.

(b) The Town Administrator, or designee, may issue a new Short-Term Rental license upon all of the following conditions:

(1) The Applicant has submitted a complete application form and provided all required information regarding the Short-Term Rental unit, including, but not limited to, where applicable, proof of the Applicant's ownership interest in the property, proof of past payment of all applicable sales and lodging tax to the Town, proof that utility bills are paid current, proof that the property to be rented is the Applicant's Personal Residence, or is located within the Core Commercial District (C-1), the Community Commercial District (C-2), by Special Use Review in any Residential District such as the Low-Density Residential District (R-1), the Medium-Density Residential District (R-2), the Higher Density Residential District (R-3), and by Special Use Review in the Estate Residential District (E-1), proof of the total number of bedrooms being rented, and information concerning the required Local Contact Person.

i. An Application for a Short-Term Rental within the Low-Density Residential (R-1) zoning district, the Medium-Density Residential District (R-2), the Higher Density Residential District (R-3) and/or the Estate Residential District (E-1) must also apply for a Special Use Review and pay all associated fees.

1. When an application for a Short-Term Rental is received and there is a license available, that application will encumber a license until the Special Use Review process is complete and upon approval of the review will be activated. If the Special Use Review is denied, then the license will be unencumbered and returned to the pool of available licenses.

ii. The Mobile Home district (MH), Light Industrial district (I-1), Industrial District (I-2), Developing Resource District (DR) and Public District (P) are ineligible for a Short-Term Rental license.

(2) The Applicant has paid an annual license fee of \$150.00 per bedroom, up to a maximum of five (5) licenses per Primary Residence for Single-Bedroom Short-Term Rentals, or an annual license fee of \$500.00, for a Short-Term Rental that is not a Primary Residence or Single-Bedroom Short-Term Rental, and has also paid all other applicable taxes and fees owed to the Town, including any outstanding taxes or fees related to any of the Applicant's or property owner's other properties and purposes within the Town.

(3) A satisfactory Short-Term Rental license inspection has been completed that verifies certain life-safety items are in place, and must comply with the provisions of this Code listed in §16-9-10 (d) (2).

i. Access to an exterior thirty-six inch (36") wide by six foot eight inches (6' 8") egress door.

ii. Smoke Detectors in every bedroom, Smoke/Carbon Monoxide Detectors outside each bedroom within fifteen feet (15'), and one on each level of the home.

iii. All sleeping rooms must have an egress window or door to the outside.

(4) All other applicable requirements of this Article have been met.

(c) The Town Administrator, or designee, may deny an application if:

(1) The information in the application is incomplete, inaccurate or false.

(2) The Applicant seeks authorization for a license at a prohibited location.

(3) The Applicant seeks authorization for a license and the Applicant's current license is suspended or revoked.

(4) The Applicant is not qualified to hold a license under the provisions of this Article.

(d) All licenses issued under this Article shall expire one year after issuance.

(e) Renewals of existing licenses shall follow all of the same procedures required for initial applications and submit the same required documentation as initial license applications.

(1) Renewal applications are given preference towards the maximum number of available licenses in subsequent years, provided that the application complies with all relevant provisions of the Town's Code.

(2) Renewal Applications for Short-Term Rentals in Low-Density Residential Districts (R-1), the Medium-Density Residential District (R-2), the Higher Density Residential District (R-3), and/or Estate Residential Districts (E-1) are not required to seek a second Special Use Review provided that they comply with all provisions of Sec. 6-5-60 of this Code.

(3) A Short-Term Rental that does not submit a renewal application and has not been marked by the Town as received within fourteen (14) days of expiration, will forfeit their license and the Town will notify the next Applicant on the Waiting List, if there are no Applicants on the waiting list, the Applicant may reapply.

Sec. 6-5-60. Revocation and Suspension.

(a) Any license issued pursuant to this Article may be suspended or revoked by written decision of the Town Administrator after ten (10) calendar days' prior written notice to a licensee of the contemplated action and, in general, the grounds therefore, and after a reasonable opportunity for the licensee to be heard by presentation of responsive information to the Town Administrator, for any one or more of the following reasons:

(1) Failure to pay applicable Town lodging tax or any other required Town, County, and/or State tax or fee for the Short-Term Rental.

(2) Failure to pay utility bills in a timely manner.

(3) Any false statement of material fact contained in the application.

(4) Failure to file any report or furnish any other information that may be required by the provisions of this Article.

(5) Any other fact or condition that, had it been known to exist at the time of the license application, would have warranted the refusal of the issuance of such license.

(6) Any violation of any provisions of this Article or of any other law or regulation pertaining to the requirements of the application, or at the property, or of any of the terms pertaining to the license.

(7) Any violation of any provisions of this Article or of any other law or regulation pertaining to the requirements of the application, or at the property, or of any of the terms pertaining to the license.

(8) Building code or safety violations related to the Short-Term Rental that come to the Town's attention and cannot be remedied within ten (10) business days.

(9) Three substantiated complaints regarding the occupancy, noise, safety, or other disturbance or nuisance within a period of one (1) year.

(b) In the event of any suspension or revocation, the Town shall have no liability for any Short-Term Rental reservations or revenues that may be affected by any such suspension or revocation, and all licenses hereunder shall be at the risk of the licensee with regard to any such lost reservations or revenues.

(1) The only remedy for anyone affected by the denial of any application or suspension or revocation shall be the right of the Applicant or licensee, as

applicable, to appeal such decision and seek reversal pursuant to the following section 6-5-70.

Sec. 6-5-70. Appeals.

- (a) Any Applicant directly affected by the denial of any license application, or any licensee directly impacted by suspension or revocation of any license pursuant to this Article, shall have the right to appeal to the Board of Trustees and may, thereafter, seek judicial review.
- (b) The Town Attorney shall act on behalf of and advise the Board of Trustees. The Board of Trustees shall not review de novo and shall only reverse or modify a determination of the Town Administrator if it determines that there was insufficient evidence to support the decision or that the decision was otherwise not in compliance with this Article.

Sec. 6-5-80. Penalties.

- (a) In addition to any other remedies available to the Town at law or in equity, after January 1, 2025, the operation of a Short-Term Rental within the Town without a license shall subject the owner of record to a fine in the amount of three hundred dollars (\$300.00) per occurrence and per day until a complete license application is submitted to the Town with all required license fees or the Short-Term Rental operation is terminated.
 - (1) Collection of any fines levied are subject to provisions of the Paonia Municipal Code and this does not preclude the Town from seeking additional recompense through Municipal Court actions.
 - (2) Should the property not qualify to be licensed as a Short-Term Rental, the operation shall cease immediately.

Section 3. Revisions to Chapter 16, Article 1 of the Paonia Municipal Code to add or ~~remove~~ the following:

Dwelling Unit means a single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation. ~~One (1) room, or rooms connected together constituting a separate, independent housekeeping establishment for owner occupancy, rental or lease on a monthly or longer basis. The dwelling unit shall be physically separated from any other rooms or dwelling units that may be in the same structure and served by no more than one (1) gas meter, one (1) electric meter and one (1) water meter and sewer tap.~~

Hotel, motel or lodging facility means an establishment containing six (6) or more guest rooms for lodging offered to the public for compensation for periods of time thirty (30) days or less and that customarily provides services such as maid service and the furnishing and laundering of linens.

Landscaped Area means the portion of a lot, parcel or tract that has been improved by the preservation, rearrangement, installation or planting of different trees, shrubs, grass and decorative materials. Decorative materials means materials which augment and enhance the botanical landscaping, including rocks, gravel, driftwood, bark, ponds, fountains, walls or other landscape design features approved by the Town.

~~Rooming Unit means a room providing minimum housing accommodations for a roomer, arranged primarily for sleeping, and/or study, and which may include a private bath but shall not include a separate kitchen.~~

Short Term Rental means a privately-owned Residential dwelling that is wholly available and rented for the purposes of lodging for any period less than thirty (30) consecutive days, a Single Bedroom Short-Term Rental is also a Short-Term Rental but must follow the definition provided for it.

Single-Bedroom Short-Term Rental means a privately-owned bedroom within a Primary Residence, or within the Core Commercial District (C-1) that is rented for the purpose of lodging any period less than thirty (30) consecutive days, where all other facilities are shared with the owner of the dwelling

Section 4. Revisions to Chapter 16, Article 3, Section 20 of the Paonia Municipal Code to add or remove the following:

Add to Table 16-1:

Use	R-1 District	R-2 District	R-3 District	E-1 District	MH District
Short Term Rentals	S	S	S	S	X

Add to Table 16-3:

Use	C-1 District	C-2 District	I-1 District	I-2 District
Short Term Rentals	P	P	X	X

Section 5. A new Article of the Paonia Municipal Code to be known as Chapter 16, Article 9, entitled "Short-Term Rental Regulations," is hereby adopted and enacted which shall read as follows:

Sec. 16-9-10. Short-Term Rental Regulations.

(a) *Purpose.* The purpose of these standards is to:

- (1) Maintain the character of neighborhoods ensuring they are not turned into tourist areas;
- (2) Preserve long-term rental residential properties and housing choice for the residents of Paonia;
- (3) Protect the health, safety and welfare of the community and Short-Term Rental occupants;
- (4) Support Tourism and visitation to Town through varied accommodations;
- (5) Facilitate the permitting of Short-Term Rental units subject to appropriate restrictions and standards; and
- (6) Establish a licensing system to ensure that all taxes and fees are paid.

(b) *License Required.* Short-Term Rentals shall be licensed per Chapter 6, Article 5 of the Paonia Municipal Code. The total number of Short-Term Rental licenses available shall be limited per the provisions specified in §6-5-30 (c) of the Code.

(c) *Permitted Locations.* Short-Term Rentals are only allowed by right within the Core Commercial District (C-1), and the Community Commercial District (C-2), by Special Use Review in the Low-Density Residential District (R-1), the Medium-Density Residential District (R-2), the Higher Density Residential District (R-3), and the Estate Residential District (E-1), any zoning district not listed is ineligible for a Short-Term Rental license.

(d) *Performance Standards for Short-Term Rentals.*

(1) *Off-Street Parking.* Off-street parking shall be provided as required by Chapter 16, Article 6, "Off-Street Parking and Loading."

(2) *Health and Safety.* All Short-Term Rentals must include operable smoke and carbon monoxide detectors, fire extinguishers, adequate accommodations for trash, and pass a life-safety inspection as required in §6-5-50 (b) (3).

(3) *Proximity of Owner or Owner's Agent.* All Short-Term Rental owners or owner's agent must reside or conduct business within fifteen (15) miles of the Short-Term Rental. The owner or owner's agent name and contact information shall be provided to the Town. All Short-Term Rentals must comply with §6-5-40 (h) of this Code.

(e) The burden shall be upon the owner of the Short-Term Rental to verify to the Town that the criteria of this Section are met and if necessary, provide adequate proof.

(f) Failure to comply with any provision in this Section may result in revocation or suspension of any license to operate a Short-Term Rental in accordance with the provisions of §6-5-60, and may be subject to fines and penalties found in §6-5-80 of this Code.

Section 6. **Notice of Enforcement and Inspection.** Violation of this Ordinance is subject to enforcement and punishment and shall constitute a misdemeanor punishable by a fine of up to three hundred dollars (\$300.00) per occurrence and per day. Each day that a violation continues to exist shall constitute a separate offense. The full text of the Ordinance, including any amendments, is available for public inspection at the office of the Town Clerk at Town Hall.

Section 7. **Severability.** If any section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The Board of Trustees declares that it would have adopted this Ordinance and each part or parts hereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Section 8. **Effective Date and Time.** This Ordinance shall become effective thirty (30) days after publication in accordance with law.

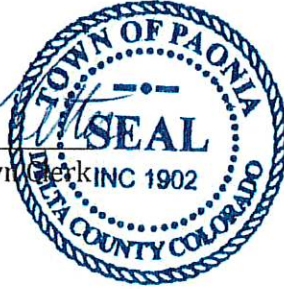
PASSED AND ADOPTED this 26th Day of November 2024.

Paige Smith
Paige Smith, Mayor

ATTEST:

Samira M. Vetter

Samira M. Vetter, Town Clerk



Approved as to form and contents:

Clay Buchner

Clay Buchner, Town Attorney

Proposal from Common Ground

Regarding a New Short-Term Rental Ordinance for Paonia

Dear Town of Paonia and STR Committee Members,

Common Ground supports the creation of a simple, clear, and enforceable short-term rental (STR) ordinance that reflects the size, character, and seasonal tourism economy of Paonia.

We believe any ordinance should be:

- Easy to understand
- Easy to comply with
- Easy for the town to administer
- Proportionate to actual community needs

Paonia is a small town with limited tourism infrastructure and a strong tradition of property rights. Any new ordinance should reflect those realities.

Guiding Principles for a New Ordinance

1. Protect Primary Residences

Allow short-term rentals in primary residences. Homeowners should retain the ability to use their homes to supplement income, especially in a rural and seasonal economy.

2. Prevent Corporate Takeover

Prioritize local residents over corporations and outside investors.

If caps are deemed necessary, consider limiting total STR licenses to no more than 5% of total housing units, ensuring that Paonia does not experience investor-driven concentration.

3. Fair and Proportionate Requirements

- No excessive remodeling mandates (such as door-size changes) unless clearly justified.
- No requirements that do not apply to other residences unless a clear safety rationale exists.
- Safety standards should be reasonable, affordable, and clearly defined.

4. Reasonable Fees

- Registration fees should be reasonable.
(For example, Montrose licenses are approximately \$90 and valid for three years.)
- Avoid punitive daily fines except in cases of clear, repeated noncompliance.

5. Complaint-Based Enforcement

Enforcement should focus on actual nuisance issues such as:

- Noise
- Trash
- Parking

A clear complaint and resolution process should exist, similar to how disturbances from long-term tenants or homeowners are handled.

6. No Permanent Freeze

Avoid “grandfather-only” systems that prevent future local applicants from participating.

If limits are implemented, create a fair and transparent pathway for new applicants (such as a waitlist or lottery).

7. Clear Definitions

Clearly distinguish between:

- Primary residence rentals
- Occasional rentals (vacation coverage, hosting students, etc.)

- Commercial or investor-owned properties

Clarity will reduce confusion and administrative burden.

8. Preserve Community Character

Monitor STR percentages over time rather than imposing arbitrary restrictions disconnected from demonstrated impact. Housing accessibility for locals is important, and policy decisions should be guided by real data.

9. Data-Driven Decision Making & Tourism Considerations

Before assuming that limiting STRs will meaningfully increase long-term housing availability, the town should gather accurate data.

Survey current STR owners to determine how many would realistically convert their units to long-term rentals. In a previous informal survey conducted by STR owners, **only 1 out of 25 indicated they would even consider converting to long-term rental.**

If most STR properties would not convert, restrictions may not significantly impact housing supply.

Additionally, if Paonia continues to promote tourism and economic development, adequate visitor accommodations are necessary. With only a limited number of hotel rooms available, short-term rentals play an important role in supporting local businesses, restaurants, and events.

A balanced ordinance should thoughtfully consider both housing concerns and tourism infrastructure.

Example of a Simple Ordinance Structure

Below is an example of how streamlined an ordinance could be while still addressing safety and accountability. This is provided as a conceptual model for simplicity.

Simple Ordinance Example

1. STRs with on-site hosts are not subject to this ordinance. I.e. individuals renting out a room(s) in their home.

2. STRs with off-site hosts must:

A. Adhere to basic safety regulations:

- Fire and carbon monoxide alarms
- A posted fire escape plan

B. By signature of the application STR owner certifies that they have all outlined safety requirements

C. Maintain:

- A local contact person on file
- Updated contact information annually for both the local contact and off-site host

This model demonstrates that Paonia can have an STR ordinance that ensures safety and accountability without unnecessary complexity.

Questions for Consideration by the Committee

To ensure transparency and alignment with community intent, we respectfully ask the committee to consider the following:

1. What specific problems are we attempting to solve with a new STR ordinance?
2. Is there data demonstrating that STRs are currently causing measurable problems in Paonia?
3. How is the committee interpreting the repeal vote in which approximately 70% of voters rejected the previous ordinance?
4. Is the committee willing to work toward an ordinance that reflects the expressed desires of the majority of voters?

5. Is there evidence that regulating STRs as they currently function will meaningfully increase long-term rental availability?
 6. Would complaint-based enforcement address potential nuisance issues effectively?
 7. Should on-site hosted STRs be allowed to rent rooms within their primary residence without a license?
 8. Is Paonia comparable to destination towns that experience large-scale investor acquisition of housing stock?
 9. If issues arise at a particular property, can they be addressed using existing disturbance and nuisance laws similar to how long-term rental or homeowner issues are handled?
-

Conclusion

Common Ground believes Paonia can adopt a thoughtful, simple ordinance that ensures safety and accountability while preserving property rights, supporting tourism, and respecting the outcome of the repeal vote.

We appreciate the committee's work and willingness to gather community input.