

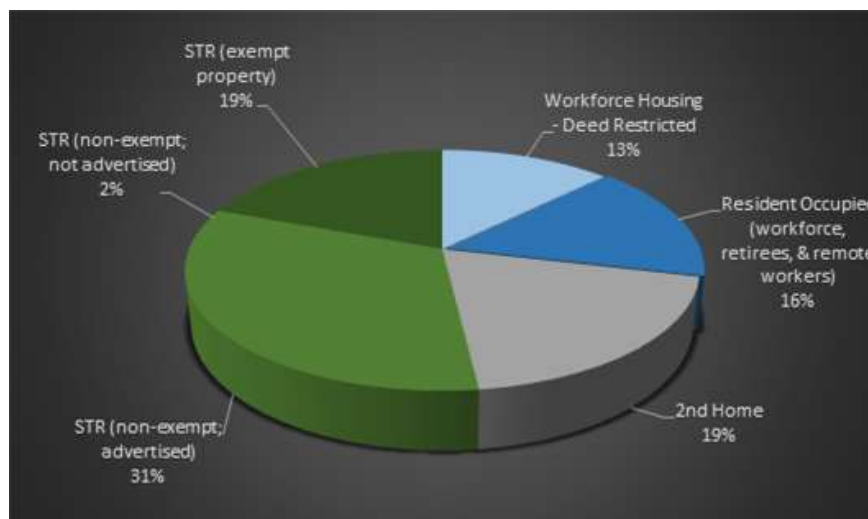
Our community has spoken loud and clear about the changing character in Breckenridge. What we are hearing is that our quality of life and our community as we know it is in crisis. The issue is requiring us to revisit Town policies in order to preserve the soul of the Breckenridge we all know and love. As is so often the case, not everyone agrees with our approach, but we have talked to very few people who deny we are facing some serious challenges.

There is no question that short term rentals are valuable to our tourist economy. The Town does not have as many hotels and formal lodging establishments as other resort communities. Thus, short term rentals (STRs) in some number are essential. That said, STRs also create community challenges including impacts to residential neighborhoods, quality-of-life issues, and additional demands on the local housing inventory created by STR jobs and the conversion of long-term, workforce housing units into vacation homes.

The Council's decision to place a cap on STRs was intended to protect our quality of life and the fabric of our community. It is important to note that the Council's actions are not intended to convert STRs to long term rentals (LTRs). Though the implementation of a cap, with additional incentives, may result in this change, we do not believe this measure will lead to a large-scale conversion. The cap is intended to stop the rapid loss of LTRs to STRs that has been occurring. And most importantly, it fulfills an obligation to our community's charge as clearly stated in our Destination Management Plan to FIERCELY PROTECT THE CHARACTER OF BRECKENRIDGE.

At this time the makeup of Breckenridge housing units (2018 data) taken from the 2019 "Housing Needs Assessment" and STR licensing data is:

- 52% STR Licenses (33% non-exempt and 19% exempt)
- 19% Vacation Homes without STR License
- 29% Local Housing (13% of which is Deed Restricted)



As of Monday, August 16, there were 3,945 STR licenses (2,476 non-exempt and 1,469 exempt). An exempt license is a property that has a central phone system, a staff front desk, and a full time, on-site security staff. The discussion by Council to cap non-exempt STRs at 2,200 equates to a reduction of 276 licenses or 11.15%. Though there is no magic number, the discussion to cap at 2,200 is a measured approach when you consider the tremendous growth in STRs and real estate sales over the last 3 years.

The number of total STR licenses has grown from 2,881 in 2012 to 3,945 in 2021, an increase of 1,064 or 36.9%.



In 2014, a change in licensing of timeshares caused a spike in the number of licenses. Since that time, 604 licenses have been added, an 18.4% increase. ***During this time period the Town added 300 deed restricted housing units.***

The Town of Breckenridge has been working to address housing issues for well over 20 years. Independently, and in a number of partnerships, the Town has added about 40 deed restricted units per year since 2000. Housing studies done in 2006, 2013, and 2019 demonstrate an on-going need for additional long term, work force housing. The most recent needs assessment in 2019 identified a significant loss of workforce in Summit County since 2017, a significant loss of locally-occupied units versus vacation homes, and increased in-commuting to fill jobs in Breckenridge. Our community and our economy depend on reversing these trends and accommodating more locals in the community.

Next Steps

- On September 14, Council will review the first reading of an ordinance placing a cap on the number licenses allowed for non-exempt STR properties. The ordinance will go to 2nd reading on September 28. If passed at both sessions the ordinance will go into effect 35 days later.
- The Town will continue to accept applications (even over the 2,200 cap) until the ordinance is in effect.
- Council will likely discuss possible exemptions to the cap on September 14. Interested parties can provide feedback during public comment at the evening Council meeting. Public comment can also be provided by emailing mayor@townofbreckenridge.com.
- We do not currently expect an exemption for construction in progress or real estate sales under contract.
- The Town will keep a waitlist on a first-come, first-served basis after the ordinance goes into effect. However, no one on the waitlist will receive a license until the number of licenses is first reduced through attrition to 2,200.
- At this time, Council intends for licenses NOT to transfer to the new owner when the property sells. The new owner will have to apply & be placed on the waiting list.
- The turnaround time for processing an application will be 1 day to 2 weeks depending on volume.