

RESOLUTION AND REGULATION BANNING SHORT TERM RENTALS

Whereas, Val Moritz Village (VMV) has experienced a number of issues with Short Term Rentals (STR) by owners; and

Whereas, the Protective Covenants and Restrictions for VMV provide in relevant part:

(1) Private Residential Use

Except as hereinafter provided, such lots, and each and every one thereof, are for single family residential purposes only. No building or structure intended for or adapted to business purposes, . . . , shall be erected, placed, permitted, or maintained on such premises, or on any part thereof; and

Whereas, many sites provide a service to clients listing their properties online for rent to wide audience groups. Some examples include, but are not limited to: VRBO, Airbnb, HomeAway, Trip Advisor, and many other vacation rental hosting sites; and

Whereas, nightly rentals are regularly used as a "party house" with loud noise emitting from the dwelling, often well into the early morning; and

Whereas, many of the short term occupants show little if no regard for the posted speed limits and/or stop signs thereby creating dangerous conditions; and

Whereas, nightly rentals produce a disproportionate amount of trash that can overwhelm the containers; and

Whereas, neither the owner of the property or the property management company seem to be willing or able to control the number of occupants. As an example, in the past a three bedroom home has been advertised as sleeping 12-16 people, so not only have some owners ignored over capacity issues, they've encouraged it; and

Whereas, VMV consists of one-acre lots on well and septic systems and drain fields are taxed when the number of occupants exceed the engineering capacity. The Association's engineering firm has provided the following comment regarding this issue:

Yes, it is a threat to the onsite wastewater treatment system. The systems are designed for a maximum loading rate. That loading rate is determined by the number of bedrooms, and the assumption is that there would be a maximum number of full time residents of 2 people per bedroom. The design of the systems assumes that there might be occasional high usage, like a weekend visit by relatives or a Friday night party. They are not intended to be used in this manner each weekend of the month or for weeks at a time.

The wastewater flows of each residence will vary widely depending on the lifestyles of the residents. For example, an elderly working couple with a lifetime of frugal use of water may only use 20 gallons per day each. Whereas a family with young kids (lots of baths and laundry) with parents who like to use their whirlpool bathtub for two might use in excess of 75 gallons per person per day.

Failure of the system could mean that insufficiently treated wastewater would reach the surface or groundwater.

Shannon Engineering, Inc.

Whereas, with over capacity usage comes far too many vehicles, some parked on the roads rather than the designated driveway, at times impeding the Associations ability to plow roads; and

Whereas, Nightly renters have used VMV as a gun firing range setting up targets and shooting in the direction of a trail system; and

Whereas, hot coals have been found still burning in a fire pit the morning following a party; and

Whereas, the Board of Directors has determined that STRs constitute a business purpose that the Board does not find or believe to be of benefit to the inhabitants of VMV. In reaching this conclusion the Board has investigated the financial impact to lot owners of either allowing or prohibiting STRs and other consequences of allowing STRs and a summary of its findings and conclusions follows:

A. Some in the real estate community have suggested that subdivisions that do not permit STRs may generate less interest than those that do and have implied that such could potentially have an impact on property values. However, since the Association passed a temporary ban on STRs in August of 2020 values have increased significantly in Val Moritz Village. An appraiser has also informed the Association that whether or not STRs are allowed has no bearing on the appraisal value of a property and that currently he has been hearing that the market in Grand County is becoming saturated and while some real estate agents continue to push purchases based on STR revenue such may not prove realistic. It is possible that in subdivisions allowing STRs property values may decrease more than those in which STRs are not allowed.

B. It is the responsibility of the Association is to protect values and also to protect the attractiveness and desirability of VMV. Potential buyers that don't wish to be associated with the problems that plague STR locales need the availability of subdivisions where they are not allowed. It is certainly possible real estate values in VMV could outpace values in other subdivisions that do allow STRs.

C. A former Grand County STR coordinator, whose task was dealing with all of the difficulties and carnage created by STR's made the statement "I wouldn't purchase a property in a subdivision that permits STRs." This strikes the board as meaningful as it would be difficult to identify another person in Grand County with as much STR experience.

D. The Association has made numerous unsuccessful attempts to extend sewer to VMV and consequently the extension of central sewer is not in the foreseeable future, if ever. The constraints of well and septic on one acre can be mitigated some by encouraging the construction of smaller homes that require or provide less of a footprint, more separation between homes, reduced effluent volume, and less depletion to groundwater. The Association asked the County STR Coordinator if STRs were not permitted in Val Moritz Village would such lead to smaller homes being built and the reply was "absolutely." The reason for this conclusion being that the questionable promises being made to prospective owners regarding their ability to offset the costs of buying or building a much larger home by renting it out nightly is likely to result in the construction of much larger homes. The inability to acquire central sewer being what it is, the Association has and will continue to encourage smaller dwellings.

E. A local appraiser informed us that there is no impact upon an appraised value when smaller homes are mixed with larger homes on one acre lots. Smaller homes also help to achieve the primary goal of the Design Guidelines: minimize disturbance and protect native habitat.

Now, therefore, for the reasons set forth above, among others, the Board of Directors hereby resolves as follows and adopts same as a Regulation for VMV:

1. Definition. A STR (also known as a short term or vacation rental) is the rental of single family

dwellings, duplexes, dwelling units, rooms or accommodations, or similar dwellings, for less than 30 consecutive days.

2. Short Term Rentals and Vacation Rentals, however denominated, constitute a business purpose that the Board does not find or believe to be of benefit to the owners of lots within VMV and ARE THEREFORE PROHIBITED WITHIN VMV.

3. Violations of this Resolution and Regulation will be dealt with as provided in the governance policies of the Association.

The foregoing Resolution and Regulation was adopted by the Board of Directors by Minutes of Action, unanimously approved as of the 25 day of MARCH 2021:



Steve Matteson, Director



Doug Foster, Director



Cliff Foster, Director



Stephan Playter, Director



Bruce Thomasson, Director

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