Office: (970) 627-8120

Fax: (970) 627-3313

Clubhouse: (970) 627-3958

Email: office@ColumbineLake.com

Web site: www.ColumbineLake.com

♦Columbine Lake Country Club, Inc. ♦ P. O. Box 714 ♦Grand Lake, Colorado 80447♦

TO: All CLCC Owners

FROM:  Mark Woltkamp

SUBJECT:  New changes to CLCC’s Rental Regulations

DATE:  January 8. 2021

Dear CLCC Owners,

During the December CLCC Board of Directors meeting, the board **unanimously** approved several modifications to **Article VI** of the Owner’s Regulations (**Rental Properties: Owners and Renters)**.  The revised Article VI is attached to this email for your review.

The subject of rental properties, especially Short-Term Rentals (STRs), is one that always invokes passion from many CLCC owners on both sides of the issue.  During the Member’s Forum part of the board meeting prior to the voting on the proposed changes, a number of CLCC  owners expressed to the board their opinions both for and against those changes.  After debating and then making some modifications to the proposed language based on owner comments, each of the nine (9) CLCC board members voted to approve the changes to Article VI.

Since most CLCC owners were unable to attend the December board meeting to hear the discussions about the proposed changes to Article VI, this email will explain exactly what are the approved changes and why the board felt such changes were needed.

Aside from some minor clean-up of language to clarify a few sentences of the original regulation, there are three (3) specific changes to the revised Article VI regulation, as outlined below. I apologize in advance for the level of detail but want to ensure there is no misunderstanding of STR related regulations.

1) **Section 6.02.1.a through c** changes the timing and clarifies the process for the required registration of CLCC STR properties.  The original Article VI required that STR owners register their properties once per year each January.  This unfortunately created significant effort for the HOA in dealing with the registrations for all 60+ CLCC STR properties in just one month.   In addition, the January issuance of the CLCC STR permit meant that our permit was almost always out of synch with the annual Grand County STR permit, which was issued throughout all calendar months of the year.  Finally, the original Article VI wording outlined a CLCC registration process based on manual submission of the required permit applications and documents.

In order to improve the CLCC registration process, the new Article VI requires that the annual CLCC registration now be done within 30 days of the Grand County registration process.  Moreover, the new regulation wording reflects that CLCC STR owners are now able to utilize an online/electronic process to register their properties. (NOTE:  This online registration process was kindly developed by Josh Sewell, a CLCC STR owner. Thanks Josh).

2) **Section 6.02.1.d** requires that CLCC STR owners pay a $100 annual registration fee to cover the HOA costs related to the administration and management of the entire STR program.  Such costs include not just the management of the STR registration process and the issuance of permits and placards, but also the management of all enforcement and compliance efforts including dealing with community complaints, identifying and addressing unregistered STRs, and issuing violation letters and non-compliance penalties.  These compliance responsibilities are critical and demanding, especially during the busiest rental times during summer and holidays.

For the past two years,  a volunteer board member has managed the STR program (Thanks Geoff Schaney).  Geoff estimated that he personally spends an average of 20 to 30 hours per month managing the STR program, front to back. Originally, Geoff volunteered to temporarily take on this effort, but it is both unfair and unreasonable to expect him to continue to assume these responsibilities indefinitely as a volunteer. The $100 fee per year per STR owner will be used **only** to fund another resource to perform those responsibilities for the HOA. The actual expenses will be tracked each year to ensure the $100 fee is the right amount.

The board feels very strongly that the costs of managing the STR program should **not** be borne equally by all CLCC owners but **only** by the STR owners who operate income-generating businesses within our community.  It should be noted that both Grand Lake Village and Grand County charge significantly higher annual STR registration fees as compared to our $100 fee, plus those entities can collect tax revenues from STR businesses.  The board approved the nominal $100 fee to ensure that only CLCC STR owners pay for the expenses related to managing the STR program. .

3) **Section 6.03.6** prohibits any Long Term Renter (more than 30 days rental) from operating the rental property as an STR.  A CLCC STR can only be operated and registered by the CLCC property owner.  CLCC does not have or cannot have any contractual relationship with long term renters as they are not owners.  An STR operated unilaterally by a long term renter would potentially be able to circumvent the CLCC STR regulations.

The board never considered this situation a potential problem and therefore did not think to include it in the original Article VI regulation.  The unfortunate reality is that this exact situation did occur in 2020. A long term renter, without the knowledge of the property owner, was operating the rental property as an STR, collecting the STR rental income for himself.   This “hybrid STR” did not adhere to CLCC STR regulations and was also in violation of Grand County STR regulations.  CLCC had no direct recourse against the long term renter when the inevitable violations occurred and had to use HOA funds to consult with our attorney for a course of action.

The new Article VI regulation now establishes an immediate and significant fine to be levied against the property owner should a violation of 6.03.6 occur. It is unlikely that this should occur again but recent history requires that we cover the possibility anyway.

To be **very** transparent, the three Article VI changes outlined above **do not in any way** prevent any existing property owner from continuing to rent their property as they do today either on a short-term or a long-term basis.  Nor do they prevent any property owner who is not operating an STR today, from being able to do so in the future, as long as that owner meets all of the ownership tenure and STR registration requirements stated in our governing documents.

As mentioned above, there are lots of passionate opinions on both sides of the STR issue and you will no doubt hear or read comments or rumors from both sides.  The board has always strived to find a reasonable balance between the various extreme positions for the sake of the overall community.  I would only ask that you if you have any questions or thoughts specifically about the above Article VI regulation changes, please send an email to the office.

Thank you for your attention.

Mark Woltkamp

President, Board of Directors
Columbine Country Club
Grand Lake, Colorado