



## TOWN OF GRANBY

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Dear Town of Granby Short-Term Rental Partner,

We understand short-term rentals are a critical service for our tourists and we are grateful for the owners in our community. We also understand there is an impact on the Town of Granby as an outcome of short-term rentals. We want to move forward in a way that empowers you to provide lodging for our visitors and the Town to provide solutions that combat the cost of long-term housing to support the very workforce needed to serve our tourists.

Last year, the Town of Granby Board of Trustees earmarked funds to research a potential regulatory fee program for short-term rental accommodations. The timeline for this investigation included an initial discussion in December 2022, a workshop in March and June 2023, and further presentations in October 2023. This 9-month project resulted in the STR Conditions and Regulatory Fee Study that can be found here: [Town of Granby Short-Term Rentals](#)

This study quantified the relationship between STRs and the demand for workforce housing priced at 180% AMI Area Median Income or less. While the data supports a regulatory fee as high as \$1120, the Town Board elected to increase the annual permit fee per bedroom to **\$728.00**. The revenue generated from this regulatory fee will be deposited into a separate revenue account and will be used exclusively to offset the cost of providing affordable housing for our workforce. This replaces the previous per bedroom fee and is not due until your annual 2024 renewal date.

The initial permit application fee has not changed and is paid one-time in the amount of \$100.00.

We know this increase seems substantial and we apologize for any impact it has on your ability to run your rental operation. It is our intention to be transparent about the process we took to make this decision and the value of this increased fee for our community.

It is our strong belief that, by providing affordable housing options, we can ensure all tourists have an incredible stay in our town. Restaurants will be open, store shelves will be full, and your guests will stay longer and return more frequently. In the end, we fully expect the improved experience for your renters will far outweigh the increase in the per bedroom regulatory fee.

Providing affordable housing to the service workers in Granby will require millions of dollars in investment by the Town, and we are grateful that STR owners will be a small but integral part of this work moving forward.

Sincerely,

Nicole Schafer  
Town of Granby  
Assistant Town Manager

# FREQUENTLY ASKED QUESTIONS

Q: Is this just the first of a series of fee increases we should expect?

A: It is important to note that the town did not enter into this decision lightly and this decision is based on data and quantitative analysis. While the fee can be adjusted for inflation or a change in the mitigation rate, no further increases in the regulatory fee are expected. The mitigation rate is defined as the proportion of all workers in the Town of Granby that also live in the town. The mitigation rate is set by statute by the Board of Trustees, currently at 65%.

Q: Affordable housing is an issue for everyone; why are STR owners being asked to pay more?

A: Yes, many communities are struggling to provide affordable housing for their workforce and the best solution has many stakeholders all working together. The Town of Granby Master Plan includes 11 different tactics of which an increase in STR regulatory fees is just one.

Q: What if I only rent my property out a few days per year? Is my rate lower?

A: Obtaining accurate and timely occupancy data on each short-term rental in Granby is not possible. This makes providing tiered fees a challenge. We will research alternative ways to get occupancy data and could potentially tier the price per bedroom in 2025 or 2026 for owners who rent fewer nights per year. Available resources allow us to verify which STRs are being advertised, how many rooms each unit provides, and the cost per night of the accommodation. Occupancy, overall, for the 395 units included in the study was 56% in 2022 but parsing out occupancy for each individual unit is not accurate at this time.

Q: Should we also expect that our property taxes will go up?

A: Overall in 2023, property taxes did go up for many Granby residents as a result of higher property values. That said, short-term rental accommodations are still taxed as residential properties. This tax rate is less than half that of a commercial property tax rate. We believe, while there is a monetary benefit from renting your home to tourists, short-term rentals are not a home business nor a commercial enterprise. While this topic may be discussed at the state level, the Town of Granby is not supporting any changes to the tax status of STRs at this time.

Q: When will I have to pay the higher amount?

A: The new per bedroom regulatory linkage fee is in effect starting Jan 1, 2024. You will be charged the \$728/bedroom rate on your normal renewal date.

Q: What if I have more questions?

A: Nicole Schafer, Assistant Town Manager, is happy to talk through the research that led to this decision by the Town of Granby Board of Trustees. She can be reached at 970-887-2501. Here are some additional resources you can reach out to for further information:

- Cindy Seader, Granby Assistant Finance Director 970-887-2501 for questions about a new application or your renewal date.
- Rich Carlson, Granby Code Enforcement 970-531-2630 for questions about short-term rental program requirements.
- Grand Fire Protection District #1 970-887-3380 for questions regarding annual inspections and Knox Box installation.
- For questions about the STR registration website that you use to print your license or change existing account information, call 888-751-1911 or email GovOS at [blt.str.support@govos.com](mailto:blt.str.support@govos.com).