

**DATE:** April 3, 2026  
**TO:** Mayor Anzevino and Members of City Council  
**FROM:** Thom Sheridan, City Manager, Greg Hannan, Community Development Director  
**RE:** Short Term Rental ordinance

**March 10, 2026 Discussion:**

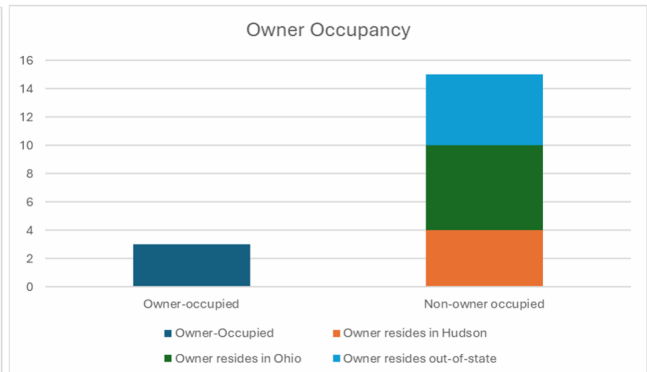
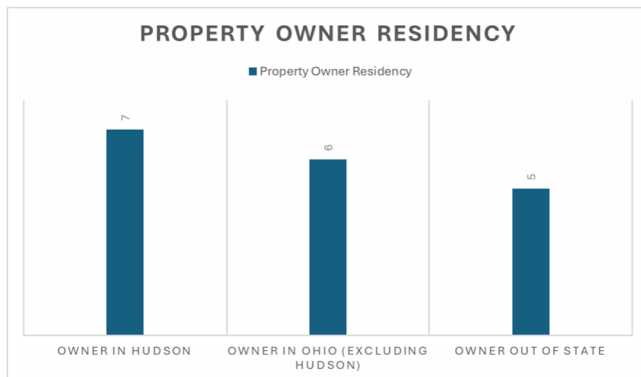
Council discussed the current ordinance and possible amendments to consider. Consensus was not formed on draft amendments; however, staff noted the following key points were referenced:

1. Bed tax
2. Permit fee
3. Limit short term rentals (STRs) per ward/district and/or setback from each other
4. Renting out portion of an owner occupied home instead of a full house rental
5. Limit STRs to be owned by a Hudson resident
6. Seek WRA or other feedback
7. Review insurance level
8. Consideration of placement in Land Development Code

**Summary information of current Short Term Rental sites**

District	District 1	District 2	District 3	District 4	District 5
STR	1	1	7	7	2

Ward	Ward 1	Ward 2	Ward 3	Ward 4
STR	13	3	1	1



**Proposed Amendments – Administrative in a nature (incorporated in draft Ordinance):**

1. **Bed tax:** The proposed amendments incorporate a 3% bed tax. Staff reviewed peer cities and also reviewed the feasibility of such collection with the Asst City Manager, Finance Director. Mr. Knoblauch noted it appears the host would need to collect the tax, file with, and pay Summit County. The County then takes their share and distributes the city portion back to the municipalities so it doesn't appear to be much administrative burden.
2. **Raise the permit fee:** Based on review of peer cities the amendment proposes increasing the fee from \$100 to \$150. The amendment also proposes to remove the no fee allowance granted to first year applicants as such was relevant when the ordinance was first established to not penalize pre-existing operations.
3. **Insurance level:** Staff notes the code currently requires \$300,000 of liability insurance. This is a common threshold of insurance requested by peer cities. To staff's knowledge there have not been any appreciable insurance/property damage issues since the STR code was enacted; therefore, staff has not incorporated an amendment to this item.
4. **Seek feedback from WRA on the proposed changes:** Staff did reach out to the facilities director for WRA and summarized the following:
  - WRA does not rely on short-term rentals as part of regular operations
  - An overnight visitor may utilize in town STRs but this is relatively limited
  - Most WRA guest accommodations are handled through other arrangements

**Proposed Amendments – More impactful to reduce the number/concentration of units (to be incorporated after further direction from City Council):**

1. **Require STRs to be owned by a Hudson resident:** Presently 7 of the 18 units contain property owners that reside in Hudson (three as partial home rentals, and four where a full house rental is owned by a Hudson resident who resides elsewhere in the community). Staff has not seen this type of regulation adopted in peer communities; however, such regulation would address several of the concerns referenced by Council:

Requiring STRs to be owned by a Hudson resident such would:

- a. Reduce the total number of STRs
- b. Resolve the concern of partial vs full home rentals as the property owner would on-site (partial home rental) or residing within the community (full home rental)
- c. Ease concerns of STR concentration within one ward or district as this amendment would appreciably reduce the total number across the community

- 2. Renting a portion of an owner occupied home instead of the full house:** Staff notes that Peninsula has reduced standards for partial home STRs. Currently Hudson only has 3 of 18 STRs that are offered as partial home rentals. Reduced standards for partial home rentals may not be necessary due to the limited number of such partial home rentals.

**3. Limiting the amount per ward/district and/or setback from each other**

Peninsula - Allowances for full home rentals differently than owner occupied:

Full home rental:

- Limited to specific zoning districts and a max unit caps per district.
- Full home rentals must be 600 ft from another full home rental

Partial home rental:

- Any zoning district without maximum caps or separation requirements

Medina indicates all STRS shall be within 4,000 ft of downtown. Additionally STRS are a permitted use in commercial areas and a conditional use in two residential districts.

Hudson Proposed Amendment: If Council determined not to implement the Hudson Resident requirement, The following could be considered.

- District restrictions: Caps per district or community can be challenging to monitor, may frustrate some residents that could left out, and the city could have the challenge of how/if to monitor a waiting list.

Staff notes this strategy could be advanced by fully prohibiting STRS from District 4 as this area has smaller residential lots and reduced setbacks where negative impacts of STRs may be prevalent.

- Setback restrictions: Staff does not recommend setback restrictions as these can lead to requests for deviation/variance or residents frustrated to be just inside/outside the setback.