



DENVER
THE MILE HIGH CITY

STRAC
August 22nd, 2017

STR Licensing and Enforcement Update

Excise and Licenses

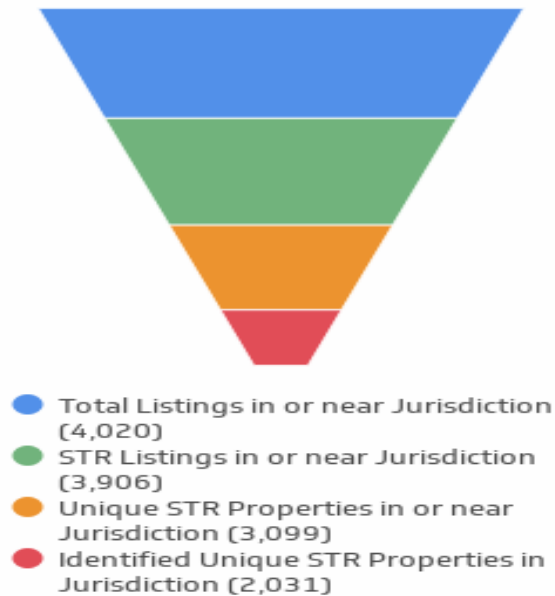
- Current STR license count; 2,018

- Total number of unique STR properties in Denver this week is 3,099 (per Host Compliance data)

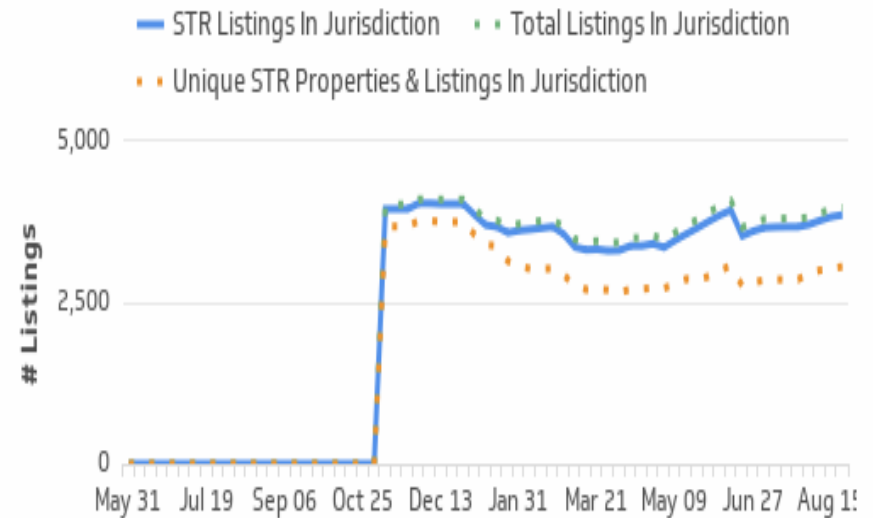
- Compliance rate for licensed STR operators in Denver now at 65%
 - *Drop in listings after June, but steady increase throughout July/August.*
 - *While listings increased, compliance rate remained steady.*
 - *Rate of compliance remains steady and continues to grow.*

- Number of properties has increased since June/July, but licensure remains steady at 65%. Uptick in properties during August.

Listings Funnel



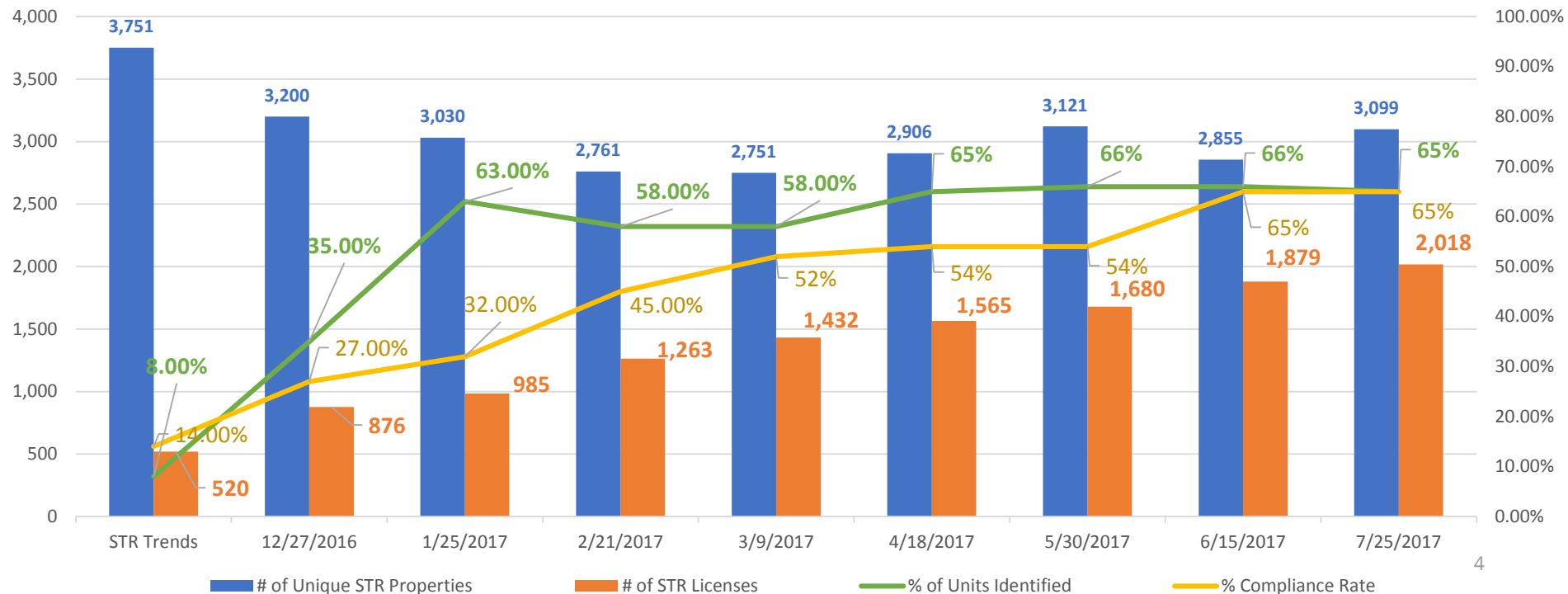
Listings / Week



Current STR License Trends / Monitoring

STR Trends	12/27/2016	1/25/2017	2/21/2017	3/9/2017	4/18/2017	5/30/2017	6/15/2017	7/25/2017	8/22/2017
# of Unique STR Properties	3,751	3,200	3,030	2,761	2,751	2,906	3,121	2,855	3,099
# of STR Licenses	520	876	985	1,263	1,432	1,565	1,680	1,879	2,018
% of Units Identified	8%	35%	63%	58%	58%	65%	66%	66%	65%
% Compliance Rate	14%	27%	32%	45%	52%	54%	54%	65%	65%

STR Trend Monitoring



➤ NOVs:

- 153 Notice of Violations (NOVs) sent since June 22nd
- Appx 1658 total NOVs sent since February

➤ Admin Citations:

- 33 total admin citations issued for a total of \$6,350
- 4 \$500 admin citations issued
- 29 \$150 admin citations issued

➤ Show Cause Hearings

- 5 hearings scheduled for Aug/Sept
- 4 cases being submitted to CAO for show cause review.
- 6 cases currently under “secondary audits” to determine sufficient primary residence satisfaction. These cases may be submitted to CAO for show cause if enough evidence exists to prove primary residence requirement is not being satisfied.

- EXL and CAO still exploring conditions that could potentially be placed on licensed STR operators that receive multiple complaints regarding occupancy, noise, other quality of life issues (similar to MJ & liquor licenses).
- Conditions must be legal and enforceable, and can potentially be placed on licenses upon renewal. License conditions can be *more restrictive* than zoning requirements.
- License conditions being explored for legality and enforceability are:
 - ❖ Restricting advertising of occupancy limits (potentially two per bedroom)
 - ❖ Music/noise cut off times
 - ❖ Gatherings on patios after certain times
 - ❖ Trash, bottle, or other refuse collection requirements
 - ❖ Communication protocols, or point of contact for issues that arise
 - ❖ Other various “quality-of-issues” that can be managed or enforced in some capacity.



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STR Admin Citations Debt Collections Process

- Agreement with the City's Treasury Department & EXL to collect outstanding or delinquent fines.
- Treasury department utilizes outside legal firm to collect debt on behalf of EXL. The program is provided at no cost to EXL, and all legal expenses on behalf of the agency are paid for.
- Collection figures are “static”, meaning that once an amount is referred to collections, that amount cannot change (i.e., if amount is \$500, the firm will only seek to collect \$500). If the fines go up, EXL will have to refer another separate amount.
- 12 cases of unpaid admin citations have been sent to collections to date (out of 33 total)

Sec. 53-4(b) Fee schedule. Whenever any account or debt due the city, or any department or agency thereof, excluding taxes or dishonored bank drafts and other negotiable instruments, is referred for collection, the following collection fees will be added to the original debt amount:

Amount of Debt	Fee Added to Citation	Fee Back to Law firm
\$.01-\$50	\$20	\$20
\$50.01 - \$100.00	\$30	\$30
\$100.01 - \$150.00	\$40	\$30
\$150.01 - \$200.00	\$60	\$45
\$200.01 - \$300.00	\$80	\$60
\$300.01 and above	30%	24.5%

Moving forward:

- EXL will continue to use debt collections service for outstanding admin citations.
- The department has flexibility and discretion over when to send citations to debt collections (citations not sent to collections if appeal is requested)
 - Important to make sure admin citation was properly served, either via sending 1st class mail or posting admin citation on property.
 - Proper service information is useful for debt collections team.



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Questions?