Old Business

- Airbnb Updates
- Previous data requests
  1. Housing vacancy rates
  2. Administrative citation collection rate
  3. Litigation costs in other cities
  4. Inside Airbnb data
Vacancy Rates Denver City /County vs Metro Average

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tbody>
<tr>
<td>2015</td>
<td>6.3</td>
<td>4.9</td>
<td>5.3</td>
<td>6.8</td>
<td>6.1</td>
<td>5.4</td>
<td>5.5</td>
<td>7.2</td>
<td>6.5</td>
<td>5.6</td>
<td>6.8</td>
<td>7.2</td>
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<tr>
<td>2016</td>
<td>6.8</td>
<td>6.2</td>
<td>5.4</td>
<td>5.1</td>
<td>6.2</td>
<td>5.7</td>
<td>5.0</td>
<td>6.4</td>
<td>6.1</td>
<td>6.0</td>
<td>5.4</td>
<td>5.0</td>
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<tr>
<td>2017</td>
<td>5.5</td>
<td>5.1</td>
<td>6.2</td>
<td>5.4</td>
<td>6.8</td>
<td>5.6</td>
<td>5.0</td>
<td>6.4</td>
<td>6.1</td>
<td>5.5</td>
<td>6.0</td>
<td>5.4</td>
</tr>
<tr>
<td>2018</td>
<td>7.1</td>
<td>6.6</td>
<td>7.8</td>
<td>7.5</td>
<td>7.1</td>
<td>5.5</td>
<td>5.8</td>
<td>6.1</td>
<td>6.0</td>
<td>5.5</td>
<td>5.8</td>
<td>6.1</td>
</tr>
</tbody>
</table>

- **Denver City/County**
- **Metro Average**
Citation Collections

Administrative citation #1 ($150) – 937 issued*
  532 collected
  175 dismissed
  278 not paid, not dismissed
  69% collection rate

Administrative citation #2 ($500) – 206 issued*
  45 collected
  57 dismissed
  104 not paid, not dismissed
  30% collection rate

Administrative citation #3 ($999) – 6 issued*
  1 collected
  5 dismissed
  100% collection rate

1149 total citations issued*

58% total collection rate
(not including dismissed citations)

85% success rate
(981 out of 1149 resulted in compliance)

*issued to the correct recipient at the correct address

55% total collection rate (not including dismissed citations)
Litigation Costs

Airbnb v. Miami Beach

Miami Beach Ordinance No. 2019-4245 went into effect February 13, 2019. The ordinance:
• Required platforms with Miami Beach listings to display the property owner's city-issued business tax receipt number and resort tax registration number
• Required Airbnb to verify the tax receipt and registration numbers

Airbnb sued Miami Beach, but the parties settled.
• Airbnb will create a way for Miami Beach owners to input and display the numbers with their listings
• Airbnb will not be required to verify whether the properties are properly registered

As part of the settlement, Airbnb will pay Miami Beach $380,000, though the parties tell different stories regarding how the money will be used:
• Airbnb has said that the money is “to educate residents about its home-sharing and short-term rental rules.”
• Miami Beach Mayor Dan Gelber states that it will be used to pay attorney’s fees for the “frivolous lawsuit.”
Inside Airbnb

- 40% have multi-listings
- $155 average price per night
- 74% are entire homes/apts
- $1747 estimated income/month
- 67% have high availability
- 147 estimated nights per year

Inside Airbnb is an independent, non-commercial set of tools and data that allows users to explore how Airbnb is being used in cities around the world.

http://insideairbnb.com/denver/
STRAC Meeting Standards

Current standards
• Mission, purpose and role
  • The Short-Term Rental Advisory Committee (STRAC) meets regularly to provide guidance and recommendations to Excise and Licenses policies pertaining to the STR licensing program. Members of the STRAC consist of short-term rental hosts, non-hosts, industry stakeholders, neighborhood representatives, and Denver elected officials.
  • Minimum of 6 meetings held annually
  • Allow for public input

Possible new standards?
• Rules and guidelines for public comment?
  • Must provide name, whether a Denver resident, and summary of testimony
• Establish membership requirements
  • Minimum and maximum size of committee
  • Terms of service for members
  • No compensation received for serving
  • Attendance Requirements
  • Member composition
Licensing & Enforcement Updates
# STR Compliance/Trends

<table>
<thead>
<tr>
<th>Month</th>
<th># of Unique STR Properties - Active</th>
<th># Unique STR Properties - No Activity 12 Months</th>
<th># of STR Licenses</th>
<th>% of Units Identified</th>
<th>% Licensing Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-18</td>
<td>4,480</td>
<td>167</td>
<td>2,226</td>
<td>69%</td>
<td>50%</td>
</tr>
<tr>
<td>Sep-19</td>
<td>3,589</td>
<td>176</td>
<td>2,700</td>
<td>93%</td>
<td>75%</td>
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<tr>
<td>Oct-19</td>
<td>3,530</td>
<td>176</td>
<td>2,763</td>
<td>80%</td>
<td>78%</td>
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</table>

MoM: -2% -21%
YoY: 2% 24%
% of Units Identified: -14% 15%
% Licensing Rate: 4% 58%
## STR Calls to 311

<table>
<thead>
<tr>
<th>CALL TYPE</th>
<th>2018</th>
<th>2019</th>
<th>Change</th>
<th>Totals over time</th>
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</thead>
<tbody>
<tr>
<td>Complaint</td>
<td>92</td>
<td>75</td>
<td>↓</td>
<td>167</td>
</tr>
<tr>
<td>General Inquiry</td>
<td>177</td>
<td>136</td>
<td>↓</td>
<td>313</td>
</tr>
<tr>
<td>How do I apply?</td>
<td>156</td>
<td>186</td>
<td>↑</td>
<td>342</td>
</tr>
<tr>
<td>Insufficient Application</td>
<td>110</td>
<td>166</td>
<td>↑</td>
<td>276</td>
</tr>
<tr>
<td>Notice of Violation</td>
<td>635</td>
<td>796</td>
<td>↑</td>
<td>1431</td>
</tr>
<tr>
<td>Online Issues</td>
<td>409</td>
<td>295</td>
<td>↓</td>
<td>704</td>
</tr>
<tr>
<td>Primary Residence</td>
<td>238</td>
<td>346</td>
<td>↑</td>
<td>584</td>
</tr>
<tr>
<td>Status of Application</td>
<td>126</td>
<td>407</td>
<td>↑</td>
<td>533</td>
</tr>
<tr>
<td>Surrender</td>
<td>84</td>
<td>52</td>
<td>↓</td>
<td>136</td>
</tr>
<tr>
<td><strong>Total Calls</strong></td>
<td><strong>2027</strong></td>
<td><strong>2459</strong></td>
<td></td>
<td><strong>4486</strong></td>
</tr>
</tbody>
</table>
Current Events
• Santa Monica
  - Following a challenge to the court being rejected in March, the 9th Circuit has again upheld the Santa Monica STR ordinance by rejecting a potential class-action lawsuit against the city.
  - A district court judge had dismissed the lawsuit, prompting an appeal that then reached the 9th Circuit where it was rejected without a trial.
    - Federal appeals court upholds Santa Monica's ban on short-term vacation rentals

• Los Angeles
  - LA passed a new law in December limiting STRs to primary residences and placing other data-sharing requirements on hosting platforms, with an effective enforcement date of November 1st.
  - Airbnb sent a letter to the City of LA on October 1st asking for more time to build a computerized system to share rental information with the city.
  - The City has responded that they “will be prepared to enforce the ordinance on November 1st”.
    - Airbnb wants LA to delay enforcing new restrictions on short-term rentals

• Nationally
  - “According to a new national survey, Americans overwhelmingly support amending federal law to remove loopholes used by short-term rental sites to avoid having to comply with local laws enacted by cities and other localities across the country.”
  - The survey, conducted by Morning Consult in August 2019, showed that Americans strongly believe STR companies should be held accountable for policing illegal activity on their websites and that the Communications Decency Act should be amended.
    - Survey: Americans support reforming federal law to rein in short-term rentals
    - Morning Consult STR survey results

Morning Consult STR survey results
## STRAC Values, Goals, and Plans

<table>
<thead>
<tr>
<th>Value</th>
<th>Goals</th>
<th>Suggested Tasks</th>
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</table>
| Protect the fabric and character of Denver neighborhoods and the residents who live there | • Ensure that regulations are enforceable  
• Pursue consistent enforcement against non-compliant hosts and hosting platforms | • Adopt compliance requirements/guidelines for hosting platforms  
• Requirements for transparency in tax collection + remittance  
• Requirements for data sharing/reporting  
• Consequences for advertising unlicensed properties  
• Consequences for failure to comply with local laws and rules  
• Issue more orders to show cause against non-compliant operators and address backlog of primary residence complaints  
• Adopt compliance requirements/guidelines for property management companies  
• Adopt stricter consequences and increase fines for non-compliance |
| Ensure STRs do not negatively impact the housing stock for permanent residents | • Bolster “primary residence” requirement                                                        | • Clarify definition of “primary residence” and/or “place of normal return for housing” by updating the STR ordinance and/or zoning code  
• Address different problems faced by non-compliant hosts in single family dwellings vs. multi-unit properties |
| Foster innovation and new business models by encouraging voluntary compliance | • Improve technology and user friendliness of process  
• Clarify requirements for compliance                                                            | • Update the online application and renewal process  
• Engage in community outreach by hosting workshops for hosts and real estate agents to explain laws and rules and answer questions  
• Pursue strategies for more clarity and transparency in tax and licensure documentation available to hosts from City and hosting platforms |
Policy Recommendations

**Phase 1**
Update current language

- **Primary Residence**
  - Update definition and standards for issuance

- **Fees**
  - Initial application fee: $50
  - Annual license fee: $100

**Phase 2**
Add new language

- **Property Management Requirements**
  - Research best practices and legal parameters
  - Draft provisions that protect guests, hosts, and neighbors

- **Platform Accountability Provisions**
  - Research cost of litigation and legal arguments
  - Work with other cities to draft effective language
### Timeline

**Q4 2019**
- Phase 1 Ordinance Drafting
- Phase 1 City Council Process

**Q1 2020**
- Platform Accountability Research
- Property Management Research

**Q2 2020**
- Phase 2 Ordinance Drafting
- Phase 2 City Council Process

### Phase 1
- Primary Residence
- License Fees

### Phase 2
- Platform Accountability Provisions
- Property Management Requirements
Public Comment
Next STRAC meeting:
Tuesday, December 10, 2019

2020 Meetings
2^{nd} Tuesday of every other month
(beginning 1/14/20)