Denver Short Term Rental Advisory Committee

February 8, 2022

Excise and Licenses
Public Comment

There will be time allotted at the end of the meeting for public comment.

Please use the “raise hand” feature on Zoom at any time during the meeting to indicate that you’d like to make a public comment at the end.

If you are calling in and cannot use the “raise hand” feature, you may sign up for public comment by emailing Alex.Vidal@denvergov.org at any point during the meeting.
Licensing & Enforcement Updates
STR Application Data

Pending Applications
- As of February 4, we had **298 total pending applications**
  - 102 pending applications are awaiting applicant action
  - 144 pending applications are under review by EXL
  - 42 pending applications are under review by another city agency
  - 10 are awaiting formal denial with CAO

New Applications
- We received **388 total applications** during the month of November:
  - 124 applications for new STRs
  - 264 STR license renewal applications
- We received **76 total applications** during the month of December:
  - 28 applications for new STRs
  - 48 STR license renewal applications
- We received **227 total applications** during the month of January:
  - 82 applications for new STRs
  - 145 STR license renewal applications
New Application Data and Trends
Renewal Application Data and Trends
STR Licensure Data and Trends (2020-2022)
# Applications and Disciplinary Action

<table>
<thead>
<tr>
<th>New &amp; Renewal applications</th>
<th>Withdrawals</th>
<th>Closed Administratively</th>
<th>Calendar Records Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 since last STRAC</td>
<td>4 since last STRAC</td>
<td>47 since last STRAC</td>
<td></td>
</tr>
<tr>
<td>43 within the past year</td>
<td>61 within the past year</td>
<td>180 within the past year</td>
<td></td>
</tr>
<tr>
<td>330 total</td>
<td>277 total</td>
<td>287 total</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sent</th>
<th>Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afidavits</td>
<td>23 since last STRAC</td>
</tr>
<tr>
<td></td>
<td>151 within the past year</td>
</tr>
<tr>
<td></td>
<td>836 total</td>
</tr>
</tbody>
</table>

| Licenses ‘Show Caused’ | Zero outstanding orders to show cause |
311 Data and Trends in 2022

- Application: 143
- General Inquiry: 25
- Property Complaint: 19
# 311 Data and Trends

<table>
<thead>
<tr>
<th>Call Type</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Citation &amp; Notice of Violation</td>
<td>785</td>
<td>295</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Applications &amp; Renewals</td>
<td>477</td>
<td>715</td>
<td>1784</td>
<td>143</td>
</tr>
<tr>
<td>Inquiries &amp; Questions</td>
<td>1288</td>
<td>575</td>
<td>503</td>
<td>25</td>
</tr>
<tr>
<td>Property Complaint</td>
<td>511</td>
<td>297</td>
<td>183</td>
<td>19</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>3122</strong></td>
<td><strong>1889</strong></td>
<td><strong>2488</strong></td>
<td><strong>187</strong></td>
</tr>
</tbody>
</table>

### Chart

- **Property Complaint**
  - 2019: 19
  - 2020: 183
  - 2021: 297
  - 2022 YTD: 511
- **Inquiries & Questions**
  - 2019: 25
  - 2020: 503
  - 2021: 575
  - 2022 YTD: 1288
- **Applications & Renewals**
  - 2019: 143
  - 2020: 477
  - 2021: 715
  - 2022 YTD: 1784
- **Administrative Citation & Notice of Violation**
  - 2019: 18
  - 2020: 295
  - 2021: 18
  - 2022 YTD: 785
<table>
<thead>
<tr>
<th>Complaint Type</th>
<th>Includes Primary Residency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Trash</td>
<td>5</td>
</tr>
<tr>
<td>Noise</td>
<td>0</td>
</tr>
<tr>
<td>Parking</td>
<td>6</td>
</tr>
<tr>
<td>Safety</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
<tr>
<td>Multiple</td>
<td>54</td>
</tr>
<tr>
<td>Only Residence</td>
<td>70</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>138</strong></td>
</tr>
</tbody>
</table>
311 Data and Trends

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>3,126</td>
<td>1,887</td>
<td>2,488</td>
</tr>
</tbody>
</table>

- **2019**
  - Applications & Renewals: 33%
  - Inquiries & Questions: 19%
  - Property Complaints: 15%
  - Other: 3%
  - Admin. Citation and Notice of Violation: 30%

- **2020**
  - Applications & Renewals: 45%
  - Inquiries & Questions: 19%
  - Property Complaints: 18%
  - Other: 0%
  - Admin. Citation or Notice of Violation: 18%

- **2021**
  - Applications & Renewals: 72%
  - Property Complaint: 7%
  - Inquiries & Questions: 20%
  - Administrative Citation: 1%
# Lodger’s Tax Update*

<table>
<thead>
<tr>
<th></th>
<th>2017 Total</th>
<th>2018 Total</th>
<th>2019 Total</th>
<th>2020 Total</th>
<th>2021 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodger’s Tax collected</td>
<td>$3.5M</td>
<td>$8.36M</td>
<td>$10.6 M</td>
<td>$5.6 M</td>
<td>~ $8.2M*</td>
</tr>
<tr>
<td>% of Lodger’s Tax collected</td>
<td>7.5 %</td>
<td>10.1 %</td>
<td>11.9 %</td>
<td></td>
<td>~10.4 %*</td>
</tr>
</tbody>
</table>

*Due to technology upgrades, all starred numbers are approximations and may not reflect actual amounts.

![Lodger's Tax (by month)](chart)

- $418,048 (January)
- $581,396 (February)
- $534,062 (March)
- $806,462 (April)
- $810,221 (May)
- $885,909 (June)
- $848,301 (July)
- $786,350 (August)
- $663,796 (September)
- $687,764 (October)
- $618,866 (November)
- $564,454 (December)
Current Events
What’s happening in the world of short-term rentals?

Local – STRs help Marshall Fire survivors (link)
CO state lawmakers consider STR bills (link)

National – Best year ever for STR market (link)
“State of the Short-Term Rental Community Report” (link)
NH lawmaker intros bill to prevent local STR bans (link)
Virginia lawmaker intros bill to undo local STR limits (link)
AZ bill would remove local preemption to regulate STRs (link)
Honolulu moves to increase minimum stay to 90 days (link)
Airbnb touts “anti-party” system in AZ (link)
Follow-Up to Increasing Access

- Gathering data - EXL preparing to add questions about disability access to STR license application
- Complaint Processing – Developing SOP for passing on complaints received by city to STR platforms
- Airbnb – Process for enforcing non-discrimination policy
- Promoting increased access through education efforts led by industry stakeholders in partnership with city where possible
2021 study first to examine impact of STRs on home values and rents (*)

Conclusions:

• Residential property is generally occupied by owner or renter
• STRs reduce housing stock by removing housing options from market
• STRs increase home values by allowing an additional revenue stream
• National study found a 10% STR increase associated with a 0.5% increase in rent and .75% increase in home values.
• Cities with OOH policy = lower increases in home values and rents
2019 DEDO Study (*)

- Primary residence prevents housing stock loss & only 1% of housing stock are STRs (*)
- Primary residence req + 1% STR rate = unlikely that STRs have city wide impact
- Increased concentration may have an impact at the census tract level (*):
  - Moderate correlation between STR concentration and home value increases (.329)
  - Weak positive correlation between STR concentration and rent increases (.033)
- Home values correlate with desirability and high-value areas historically see larger increases in values and rents. This may attract more STR activity.
- Conclusion: STRs don’t appear to have impact on housing costs at the city level
- Primary residence req is critical to preventing housing stock loss that could lead to price increases. EXL has worked hard to enforce the primary residence requirement.
STR Density by Neighborhood (*)

More than 10 STRs (8 total): Cole, Whittier, Highland, Skyland, Jefferson Park, Union Station, West Colfax, & Sunnyside

5-10 STRs (13 total): Berkeley, West Highland, Five Points, City Park West, Baker, Platt Park, Sloan Lake, Lincoln Park, Regis, Rosedale, Clayton, Speer, & Washington Park West

1-5 STRs (37 total): Chaffee Park, Congress Park, Cheesman Park, Overland, North Park Hill, City Park, North Capitol Hill, Capitol Hill, Country Club, Washington Park, Barnum West, Northeast Park Hill, Valverde, Hale, South Park Hill, Villa Park, Athmar Park, Cory – Merrill, Civic Center, University, Central Park, Barnum, Montclair, Ruby Hill, University Hills, Cherry Creek, Gateway - Green Valley Ranch, University Park, East Colfax, Virginia Village, Globeville, Washington Virginia Vale, Elyria Swansea, Belcaro, DIA, Wellshire, CBD

Less than 1 STR (16 total): Bear Valley, College View - South Platte, Mar Lee, Hilltop, Westwood, Harvey Park, Harvey Park South, Lowry Field, Hampden South, Hampden, Fort Logan, Goldsmith, Southmoor Park, Montbello, Windsor, Marston

No STRs identified (4 total): Auraria, Kennedy, Indian Creek, Sun Valley
Types of STRs (Rental Type)

Proportion of STRs

- Entire Place: 86.9%
- Private Room: 12.5%
- Other: 0.7%
Types of STRs (# of bedrooms)

Proportion of STRs

- 0 or UNK: 2.0%
- 1 Bedroom: 52.7%
- 2 Bedrooms: 28.6%
- 3 Bedrooms: 10.9%
- 4 Bedrooms: 3.6%
- 5 Bedrooms: 1.4%
- 6 or More: 0.8%
Types of STRs (Property Types)

- House: 59.0%
- Condo: 36.4%
- Commercial: 3.8%
- Other: 0.8%
- ADU (estimate): 3.0%

Proportion of STRs
STRAC Meeting Dates

- February 8, 2022
- May 10, 2022
- August 9, 2022
- November 15, 2022

Possible Topics

- Others?
Public Comment

Please use the “raise hand” feature on Zoom to indicate that you’d like to make a public comment. If you are calling in and cannot use the “raise hand” feature, you may sign up for public comment by emailing Alex.Vidal@denvergov.org

Speakers are allotted two minutes to speak.

Alternatively, you may email written comments at any time to licenses@denvergov.org and they will be shared with the committee electronically.