Denver Short Term Rental Advisory Committee

June 8, 2021

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 Erica.Rogers@denvergov.org at any point during the meeting.
Licensing & Enforcement Updates
STR Application Data

Pending Applications
- As of June 2, we had **118 total pending applications**
  - 48 pending applications are awaiting applicant action
  - 52 pending applications are under review by EXL
  - 12 pending applications are under review by another city agency
  - 5 pending applications are awaiting a denial appeal hearing

New Applications
- We received **132 total applications** during the month of March:
  - 68 applications for new STRs
  - 64 STR license renewal applications
- We received **146 total applications** during the month of April:
  - 94 applications for new STRs
  - 52 STR license renewal applications
- We received **105 total applications** during the month of May:
  - 62 applications for new STRs
  - 43 STR license renewal applications
New Application Data and Trends

YEAR 2019 2020 2021

MONTH

January 169 155 271
February 129 122 94
March 102 74 169
April 46 89 164
May 68 39 142
June 35 52 150
July 62 124 219
August 195 68 168
September 71 62 195
October 51 74 146
November 151 72 74
December

# CREATED
# Applications and Disciplinary Action

<table>
<thead>
<tr>
<th></th>
<th>Withdrawals</th>
<th>Closed Administratively</th>
<th>Calendar Records Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>New &amp; Renewal applications</td>
<td>4 since last STRAC 42 within the past year 302 total</td>
<td>13 since last STRAC 78 within the past year 248 total</td>
<td>17 since last STRAC 164 total (since August 2020)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Sent</th>
<th>Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affidavits</td>
<td>19 since last STRAC 130 within the past year 735 total</td>
<td>7 since last STRAC (37%) 71 within the past year (55%) 332 total (45%)</td>
</tr>
</tbody>
</table>

**Licenses ‘Show Caused’**

Zero outstanding orders to show cause
311 Data and Trends in 2021

<table>
<thead>
<tr>
<th>Category</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Citation</td>
<td>6</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application</td>
<td>241</td>
<td>199</td>
<td>130</td>
<td>85</td>
<td>87</td>
</tr>
<tr>
<td>General Inquiry</td>
<td>52</td>
<td>60</td>
<td>48</td>
<td>34</td>
<td>31</td>
</tr>
<tr>
<td>Notice of Violation</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Complaint</td>
<td>8</td>
<td>9</td>
<td>15</td>
<td>17</td>
<td>12</td>
</tr>
</tbody>
</table>
311 Data and Trends

<table>
<thead>
<tr>
<th>Call Type</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Citation &amp; Notice of Violation</td>
<td>785</td>
<td>295</td>
<td>13</td>
</tr>
<tr>
<td>Applications &amp; Renewals</td>
<td>477</td>
<td>715</td>
<td>742</td>
</tr>
<tr>
<td>Inquiries &amp; Questions</td>
<td>1288</td>
<td>575</td>
<td>225</td>
</tr>
<tr>
<td>Property Complaint</td>
<td>511</td>
<td>297</td>
<td>61</td>
</tr>
</tbody>
</table>
311 Data and Trends

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>3,126</td>
<td>1,887</td>
<td>1,041</td>
</tr>
</tbody>
</table>

Administrative Citation or Notice of Violation
- 2019: 18%
- 2020: 18%
- 2021 YTD: 18%

Applications & Renewals
- 2019: 33%
- 2020: 45%
- 2021 YTD: 45%

Inquiries & Questions
- 2019: 19%
- 2020: 19%
- 2021 YTD: 22%

Property Complaints
- 2019: 15%
- 2020: 15%
- 2021 YTD: 6%

Other
- 2019: 3%
- 2020: 0%
- 2021 YTD: 1%

2019 Data:
- Administrative Citation & Applications & Renewals: 58%
- Inquiries & Questions: 34%
- Property Complaints: 7%

2020 Data:
- Administrative Citation & Applications & Renewals: 65%
- Inquiries & Questions: 19%
- Property Complaints: 16%

2021 YTD Data:
- Administrative Citation & Applications & Renewals: 77%
- Inquiries & Questions: 22%
- Property Complaints: 1%

Volume:
- 2019: 3,126
- 2020: 1,887
- 2021 YTD: 1,041
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 YTD</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>~$3.17 M*</td>
</tr>
<tr>
<td>% of Lodger’s Tax collected</td>
<td>7.5 %</td>
<td>10.1 %</td>
<td>11.9 %</td>
<td>~17.7 %*</td>
<td></td>
</tr>
</tbody>
</table>

Lodgers Tax Accounts and STR Business Licenses*

<table>
<thead>
<tr>
<th>Lodger’s Tax Accounts</th>
<th>Active STR Business Licenses</th>
<th>Difference (Tax v. Active Business Licenses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>~3,062*</td>
<td>~1,956*</td>
<td>~1,106*</td>
</tr>
</tbody>
</table>

*Due to technology upgrades, all starred numbers are approximations and may not reflect actual amounts.
Current Events
What’s happening in the world of short-term rentals?

Denver licensing is up, STR demand is soaring, consumers have new technology tools, and ways to create a more equitable short-term rental market

**Denver**: Denver short-term rental licenses are almost at pre-pandemic levels. Read more [here](#).

**Nationwide**: Short-term rentals are seeing demand levels higher than even before the pandemic. Read more [here](#), [here](#), and [here](#).

**Technology**: Google announced a new search product that will show results for hotels and private rentals for travelers looking to book accommodations. Read more [here](#).

**Anti-Racism**: Can an algorithm mitigate racial economic inequality? Read more [here](#), [here](#), and [here](#).
Policy Updates
City Policy Priorities

The Department met with the Mayor’s Policy Review Committee on April 30 to discuss policy priorities. The City will **not** be pursuing the proposal to create a second type of short-term rental license.

<table>
<thead>
<tr>
<th>Public Sentiment</th>
<th>Preventative Effects</th>
<th>Recent Improvements</th>
<th>Alternative solutions</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>The primary residence requirement was a key feature in early policy discussions that led lawmakers to adopt a licensing scheme for short-term rentals in Denver, rather than instituting a ban.</td>
<td>A 2019 DEDO report stated that the primary residence requirement has prevented negative effects from short-term rentals on housing stock and affordability in Denver.</td>
<td>In 2020, City Council passed two bills to <strong>strengthen</strong> the primary residence requirement and <strong>improve enforcement</strong> of the primary residence requirement.</td>
<td>Opportunities exist to explore consumer demand trends and modernize Denver’s <strong>lodging license</strong>, which could address the need for more varied commercial accommodations raised by proponents of the proposal.</td>
<td>Prioritizing work that improves the lodging license rather than creating a new type of short-term rental license would also support the Mayor’s goal to address policy issues through an equity lens.</td>
</tr>
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</table>
2021 STRAC Meetings

- **August 10**: Building and Zoning Compliance
- **October 12**: Accessibility in Short-Term Rentals
- **December 14**: Effects of Short-Term Rentals on Housing Affordability in Denver

- Meetings are scheduled on the 2nd Tuesday of every other month
- All meetings will be held via Zoom
- Additional meetings added as needed
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 Erica.Rogers@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.