Denver Short Term Rental Advisory Committee

May 10, 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.
Welcome New Members!

New Committee Members
Jeff Ruffe – Visit Denver
Susan Pearce – DMAR
Tyler Woolsey – STR Host
Jimmy Hernandez – Non-Host
Emmett Hobley – Non-Host
Kayla Greathouse – Non-Host
TBD – Inter-Neighborhood Cooperation (INC)

City/County Members (for reference)
Kevin Flynn - City Council, District 2
Amanda Sawyer - City Council, District 5
Molly Duplechian – Director, EXL
Erica Rogers - Policy Director, EXL
Alex Vidal - Policy Analyst, EXL
Alex Cobell – License Inspector II, EXL
Polly Kyle – Housing Policy Officer, HOST
Ken Martinez – Tax Audit Manager, DOF
Short-Term Rentals in Denver: A Quick History

2015 • Public outreach and stakeholder input

2016 • Denver City Council passed initial short-term rental licensing ordinance

2017 • Short-term rental licensing began for hosts on January 1, 2017

2020 • Council voted to bolster the primary resident requirement for hosts and enact platform accountability provisions for booking service providers (Airbnb, VRBO, etc.)
Short-Term Rentals: Opportunities and Risks

**Opportunities**

- STRs can create additional income opportunities for Denver residents
- STRs can foster variety in lodging options for Denver visitors
- STRs can drive community economic development when hosts recommend local businesses and employ service providers

**Risks**

- Use of properties for STRs can put stress on the housing stock and affect affordability
- STRs used as “mini hotels” can lead to commercial encroachment in residential neighborhoods and accelerate gentrification and/or displacement of permanent residents
- Disrespectful guests can lead to health, safety, welfare, or quality of life concerns in neighborhoods
All short-term rentals must be **licensed**.

Any short-term rental must be the host’s **primary residence**.

All advertisements for short-term rentals must **display** the host’s **business license number**.

All short-term rental hosts must abide by rules related to **safety, taxes, zoning, and insurance**.

Failure to follow the rules can result in **fines or other penalties**, including license revocation.
The Primary Residence Requirement

Preserves Housing Stock
Ensures that residential properties are only used for long-term housing and not accelerating displacement of permanent residents

Protects Residents and Neighborhoods
Fosters accountability between hosts and neighbors if guests act unruly and prevents commercial encroachment by mini hotels into neighborhoods

Benefits Visitors and Local Businesses
Hosts who are familiar with their neighborhoods often provide visitors with local recommendations, which can boost local small businesses and introduce visitors to Denver charm

Benefits and Protects Hosts
Allows Denver residents to use their home for short-term rental income to help offset living expenses and enforcement protects hosts from unfair competition
STRAC Brief History

- STRAC formed in October 2016 to advise EXL on licensing program policies
- Issue Areas Previously Studied:
  - Licensing compliance rates
  - Primary residence policy enforcement
  - Types and frequency of STR complaints
  - Impact on neighborhood quality of life
  - Disability access in the STR market
  - STR impact on housing market
  - Use of ADUs as STRs
  - STR Taxes & Fees
Denver Short-Term Rental Resources

Check out our Short-Term Rental Laws, Rules, and Regulations page

Sign up for our short-term rental bulletin.

Denver Revised Municipal Code: Short-Term Rental Ordinance

Denver Department of Excise and Licenses: Short-Term Rental Rules

Denver Department of Finance: Short-Term Rental Taxation Information

Licensing & Enforcement Updates
STR Application Data

Pending Applications
- As of May 6, we had **306 total pending applications**
  - 108 pending applications are awaiting applicant action
  - 119 pending applications are under review by EXL
  - 57 pending applications are under review by another city agency
  - 22 are awaiting formal denial with CAO

New Applications
- We received **194 total applications** during the month of February:
  - 71 applications for new STRs
  - 123 STR license renewal applications
- We received **222 total applications** during the month of March:
  - 93 applications for new STRs
  - 129 STR license renewal applications
- We received **244 total applications** during the month of April:
  - 89 applications for new STRs
  - 155 STR license renewal applications
New Application Data and Trends
Renewal Application Data and Trends

Year: 2019, 2020, 2021, 2022

# CREATED

January: 165, 106, 85, 54, 70, 73, 118, 160, 114, 156, 157, 163
February: 208, 114, 90, 103, 65, 120, 121, 142, 157, 157, 163
March: 221, 128, 138, 103, 70, 112, 124, 142, 157, 157, 163
April: 173, 139, 165, 111, 68, 131, 119, 119, 157, 157, 163
# 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>15 since last STRAC</td>
<td>30 since last STRAC</td>
<td>75 since last STRAC</td>
</tr>
<tr>
<td></td>
<td>45 within the past year</td>
<td>70 within the past year</td>
<td>207 within the past year</td>
</tr>
<tr>
<td></td>
<td>345 total</td>
<td>307 total</td>
<td>362 total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Sent</th>
<th>Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affidavits</td>
<td>60 since last STRAC</td>
<td>52 since last STRAC</td>
</tr>
<tr>
<td></td>
<td>175 within the past year</td>
<td>111 within the past year</td>
</tr>
<tr>
<td></td>
<td>896 total</td>
<td>438 total (63%)</td>
</tr>
<tr>
<td>Licenses ‘Show Caused’</td>
<td>Zero outstanding orders to show cause</td>
<td></td>
</tr>
</tbody>
</table>
311 Data and Trends in 2022

<table>
<thead>
<tr>
<th>Category</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application</td>
<td>157</td>
<td>165</td>
<td>173</td>
<td>176</td>
</tr>
<tr>
<td>General Inquiry</td>
<td>31</td>
<td>30</td>
<td>26</td>
<td>46</td>
</tr>
<tr>
<td>Notice of Violation</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Complaint</td>
<td>22</td>
<td>10</td>
<td>4</td>
<td>19</td>
</tr>
</tbody>
</table>
## 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>2</td>
</tr>
<tr>
<td>Applications &amp; Renewals</td>
<td>477</td>
<td>715</td>
<td>1784</td>
<td>671</td>
</tr>
<tr>
<td>Inquiries &amp; Questions</td>
<td>1288</td>
<td>575</td>
<td>503</td>
<td>133</td>
</tr>
<tr>
<td>Property Complaint</td>
<td>511</td>
<td>297</td>
<td>183</td>
<td>55</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>3122</td>
<td>1889</td>
<td>2488</td>
<td>861</td>
</tr>
</tbody>
</table>
311 Data and Trends

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2021</th>
<th>2022 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>1,887</td>
<td>2,488</td>
<td>861</td>
</tr>
</tbody>
</table>

- Applications & Renewals: 45%
- Inquiries & Questions: 19%
- Property Complaints: 18%
- Other: 0%
- Administrative Citation or Notice of Violation: 18%
- Inquiries: 72%
- Property Complaint: 7%
- Administrative Citation: 1%
- Other: 0%

2022:
- Applications & Renewals: 78%
- Inquiries: 6%
- Property Complaint: 15%
- Administrative Citation: 0%
## 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>
<th>2022 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodger’s Tax collected</td>
<td>$3.5M</td>
<td>$8.36M</td>
<td>$10.6M</td>
<td>$5.6M</td>
<td>$8.2M*</td>
<td>$3.5M*</td>
</tr>
<tr>
<td>% of Lodger’s Tax collected</td>
<td>7.5 %</td>
<td>10.1 %</td>
<td>11.9 %</td>
<td>10.4 %*</td>
<td>12.7%*</td>
<td></td>
</tr>
</tbody>
</table>

Lodger's Tax (by month)

*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?

Local – Denver STR compliance soars ([link](#))
Pitkin County struggling on consensus approach to STRs ([link](#))
Breckenridge bedroom fee & cap ([link](#)); Frisco ups STR tax 5% ([link](#))

USA – STR regulation trends w/ focus on Colorado and Arizona ([link](#))
LA STR compliance struggles ([link](#)); Oahu passes STR ordinance ([link](#))
Clark County, NV forced to allow STRs by legislature ([link](#))

Global - Airbnb works with UN on temp housing for Ukrainian refugees ([link](#))
Victoria housing being taken up by unregulated STRs ([link](#))
Toronto closing “hired host” loophole ([link](#))
STRAC Meeting Dates

- August 9, 2022
- November 1, 8, or 15, 2022

Possible Topics

- Enforcement policies and processes
- Disability access questions
- 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.