Denver Short Term Rental Advisory Committee

October 12, 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 Alex.Vidal@denvergov.org at any point during the meeting.
Licensing & Enforcement Updates
STR Application Data

Pending Applications
- As of October 7, we had **288 total pending applications**
  - 81 pending applications are awaiting applicant action
  - 187 pending applications are under review by EXL
  - 13 pending applications are under review by another city agency
  - 7 pending applications are awaiting a denial appeal hearing

New Applications
- We received **142 total applications** during the month of **July**:
  - 79 applications for new STRs
  - 63 STR license renewal applications
- We received **218 total applications** during the month of **August**:
  - 104 applications for new STRs
  - 114 STR license renewal applications
  - We received **212 total applications** during the month of **September**:
  - 93 applications for new STRs
  - 119 STR license renewal applications
New Application Data and Trends

Month | 2019 | 2020 | 2021
---|---|---|---
January | 169 | 155 | 271
February | 129 | 122 | 94
March | 169 | 102 | 74
April | 46 | 89 | 30
May | 35 | 73 | 142
June | 150 | 106 | 164
July | 124 | 92 | 142
August | 219 | 105 | 164
September | 196 | 68 | 68
October | 168 | 62 | 69
November | 151 | 51 | 71
December | 146 | 72 | 69

Year 2019 | 2020 | 2021
---|---|---
169 | 155 | 271
129 | 122 | 94
169 | 102 | 74
46 | 89 | 30
35 | 73 | 142
150 | 106 | 164
124 | 92 | 142
219 | 105 | 164
196 | 68 | 68
168 | 62 | 69
151 | 51 | 71
146 | 72 | 69
Renewal Application Data and Trends

YEAR 2019  2020  2021

MONTH  # CREATED
January  165  196  233
February  106  102  114
March  65  76  86
April  90  93  103
May  70  65  53
June  108  111  133
July  73  89  68
August  119  120  112
September  133  124  89
October  160  142  133
November  156  114  157
December  187  135  135
# 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</td>
<td>6 since last STRAC</td>
<td>15 since last STRAC</td>
</tr>
<tr>
<td></td>
<td>47 within the past year</td>
<td>73 within the past year</td>
<td>195 total (since August 2020)</td>
</tr>
<tr>
<td></td>
<td>313 total</td>
<td>257 total</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Sent</th>
<th>Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affidavits</td>
<td>26 since last STRAC</td>
<td>9 since last STRAC (35%)</td>
</tr>
<tr>
<td></td>
<td>134 within the past year</td>
<td>76 within the past year (57%)</td>
</tr>
<tr>
<td></td>
<td>786 total</td>
<td>366 total (47%)</td>
</tr>
</tbody>
</table>

| Licenses ‘Show Caused’          | Zero outstanding orders to show cause |
311 Data and Trends in 2021

- Administrative Citation: 6 4 1
- Application: 241 199 130 130 146 128 136
- General Inquiry: 52 60 48 343 1 42 38 52 29
- Notice of Violation: 1 1 1
- Property Complaint: 8 9 15 17 12 17 14 30 21

Legend:
- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
**311 Data and Trends**

### Call Type

<table>
<thead>
<tr>
<th>Call Type</th>
<th>2019</th>
<th>2020</th>
<th>2021 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Citation &amp; Notice of Violation</td>
<td>785</td>
<td>295</td>
<td>18</td>
</tr>
<tr>
<td>Applications &amp; Renewals</td>
<td>477</td>
<td>715</td>
<td>1240</td>
</tr>
<tr>
<td>Inquiries &amp; Questions</td>
<td>1288</td>
<td>575</td>
<td>388</td>
</tr>
<tr>
<td>Property Complaint</td>
<td>511</td>
<td>297</td>
<td>143</td>
</tr>
</tbody>
</table>
311 Data and Trends

<table>
<thead>
<tr>
<th>Category</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>1,789</td>
</tr>
</tbody>
</table>
## 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>~$6.3M*</td>
</tr>
<tr>
<td>% of Lodger’s Tax collected</td>
<td>7.5 %</td>
<td>10.1 %</td>
<td>11.9 %</td>
<td>~12 %*</td>
<td></td>
</tr>
</tbody>
</table>

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

### Lodger’s Tax YTD (by month)

- **January**: $418,048.36
- **February**: $581,396.55
- **March**: $534,062.57
- **April**: $806,462.00
- **May**: $810,221.73
- **June**: $885,909.00
- **July**: $848,301.00
- **August**: $786,350.00
- **September**: $663,796.00
- **October**:
- **November**:
- **December**:

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*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:** CPD beginning project to facilitate rezoning for ADUs
Short-Term Rental market in Colorado rebounding from COVID (Link)
Backyard pools being rented on short-term basis violates city code (Link)

**Colorado:** Breckinridge caps # of STRs (Link)
Frisco resident petition circulating to require primary residence (Link)
Winter Park incentivizes conversion of STRs to LTRs w/payments to owners (Link)

**US/World:** Vans used as STRs in Manhattan impounded (Link)
AirBnB trying to double # of Afghan refugees it will house to 40K (Link)
EU debating whether to adopt one set of rules for all STRs (Link)
CPD Presents: "ADUs in Denver" Project
ADUs in Denver

Project Team

Josh Palmeri – Project Manager
Joshua.Palmeri@denvergov.org

Abe Barge – Principal
Libby Kaiser – Senior
Fran Penafiel – Associate
ADUs in Denver

What will this project include?
In this project, city planners will look at how the Denver Zoning Code regulates ADUs.

This project is not expected to change where in the city ADUs are allowed, but will look at how they are designed, how they fit in with different types of neighborhoods and block patterns (without alleys), and how updates to the zoning code may reduce and remove barriers to creating ADUs as additional housing options.
ADUs in Denver

This project will directly implement BP Denver 2019 Land-Use Recommendation 05:

Remove barriers to constructing accessory dwelling units and create context sensitive form standards.

Some potential barriers to explore:

- Square footage limitations
- Lot-coverage allowances
- Lot-size minimums
- Height (1.5 stories)
- Setbacks
- ADU use only allowed as accessory to SU use
- Lack of zone districts in suburban context

Project Objectives:

**Remove barriers to ADU construction**

- Eliminate zoning restrictions that increase the cost, buildability, and access of ADU construction
- Simplify the rules for ease of compliance and understanding

**Create context-sensitive building form standards**

- ‘Suburban-Context’ ADU form does not currently exist
- Consider a non-alley accessed ADU form variation
ADUs in Denver

What is an ADU?

An accessory dwelling unit is:

- A self-contained living space with its own kitchen, bath and sleeping areas
- An extension of an existing home (the primary structure)—not a separate property that could be sold on its own.
- Sometimes called a granny flat, backyard cottage, in-law suite, carriage house, or casita

Blueprint Denver recommends ADUs be allowed in all residential districts throughout the city
ADUs in Denver

Why do this work?
As our city grows and changes, the way people live is changing too. Many people want…

- a separate space where elderly parents or kids living at home can still have independence,
- a space that can be rented out to generate income,
- or just to rent a smaller, more affordable space in a neighborhood that they love, which may otherwise be unattainable

Creating an ADU can have a big impact helping residents grow their home equity and earn new income to remain comfortably in their homes long-term. These smaller dwelling units are also a low-impact way for neighborhoods to expand their range of housing choices. (one and two bedrooms)
ADUs (have always been) in Denver

Sheedy Mansion at 11th and Grant
1892

Grant Street Mansion
2021
ADUs in Denver

Current ADU form regulations:

- SF of ADU use
- Height
- Lot Size minimum
- Location of Structure
- Setbacks
- Building Footprint max
- Structure Length

### DETACHED ACCESSORY DWELLING UNIT

<table>
<thead>
<tr>
<th>DETAIL</th>
<th>S-SU-F1</th>
<th>S-RH-2.5</th>
<th>S-MU-3, 5, 8, 12, 20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HEIGHT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stories (max)</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Feet (max)</td>
<td>24'</td>
<td>24'</td>
<td>24'</td>
</tr>
<tr>
<td>Bulk Plane Vertical Height at Side Interior and Side Street Zone Lot Line</td>
<td>10'</td>
<td>10'</td>
<td>na</td>
</tr>
<tr>
<td>Bulk Plane Slope from Side Interior and Side Street Zone Lot Line</td>
<td>45°</td>
<td>45°</td>
<td>na</td>
</tr>
<tr>
<td><strong>SITING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zone Lot Size (min)</td>
<td>8,500 sf</td>
<td>6,000 sf</td>
<td>6,000 sf</td>
</tr>
<tr>
<td>Zone Lot Depth (min)</td>
<td>150</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Additional Standards</td>
<td>See Section 3.3.4.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SETBACKS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location of Structure</td>
<td>Located in the rear 35% of the zone lot depth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Side Interior and Side Street (min)</td>
<td>5'</td>
<td>5'</td>
<td>5'</td>
</tr>
<tr>
<td><strong>PARKING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle Access</td>
<td>From Alley; or Street access allowed when no Alley present</td>
<td>See 3.3.7.6 for exceptions</td>
<td></td>
</tr>
<tr>
<td><strong>DESIGN ELEMENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Footprint (max)</td>
<td>650 sf</td>
<td>864 sf</td>
<td>1,000 sf</td>
</tr>
<tr>
<td>Overall Structure Length (max)</td>
<td>36'</td>
<td>36'</td>
<td>36'</td>
</tr>
<tr>
<td>Rooftop and/or Second Story Decks</td>
<td>Not allowed - See Section 3.3.5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>USES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uses Accessory Primary Residential Uses Only See Division 3.4 for permitted Uses Accessory to Primary Residential Uses</td>
<td>See Sections 3.3.5 - 3.3.7 for Supplemental Design Standards, Design Standard Alternatives and Design Standard Exceptions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ADU zoning basics – Use/Ownership

In an SU district, the **owner must live on the property** for there to be an ADU in use (attached or detached)

<table>
<thead>
<tr>
<th>Use as residential unit</th>
<th>Owner living onsite</th>
<th>Owner living off-site</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary home</td>
<td>ADU</td>
</tr>
<tr>
<td>Use as residential unit</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Long term rental</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Short term rental</td>
<td>yes</td>
<td>yes</td>
</tr>
</tbody>
</table>

City guidelines for short term rental licensing and use here: [www.denvergov.org STR](http://www.denvergov.org/str)
ADUs in Denver

Where are ADUs currently being built?

ADU permits by year,
Since 2010
34 – in 2021 so far

<table>
<thead>
<tr>
<th>Year Permit Issued</th>
<th>Number of Permits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2</td>
</tr>
<tr>
<td>2011</td>
<td>6</td>
</tr>
<tr>
<td>2012</td>
<td>9</td>
</tr>
<tr>
<td>2013</td>
<td>20</td>
</tr>
<tr>
<td>2014</td>
<td>12</td>
</tr>
<tr>
<td>2015</td>
<td>20</td>
</tr>
<tr>
<td>2016</td>
<td>44</td>
</tr>
<tr>
<td>2017</td>
<td>47</td>
</tr>
<tr>
<td>2018</td>
<td>56</td>
</tr>
<tr>
<td>2019</td>
<td>69</td>
</tr>
<tr>
<td>2020</td>
<td>54</td>
</tr>
<tr>
<td>2021 Jan-Aug</td>
<td>32</td>
</tr>
</tbody>
</table>
What should a Suburban ADU look like?
ADUs in Denver CONTEXT

Current SU -1 ADU form allowance
Compared to what could be built next door? As a primary
ADUs in Denver CONTEXT

Many examples from other cities, without alleys, Portland, Los Angeles, San Diego, and Austin.

We want to create a Suburban ADU form that people won’t mind having next door and would prefer over a scrape-and-replace.
ADUs in Denver

Process and Outreach
- Advisory committee with a diverse range of perspectives (committee criteria) + sign-up form
- Focus groups for specific issues like suburban context
- We need your suggestions for groups/committee members to include in the process

Schedule
- One-year timeline as demand is increasing, need to get ahead of suburban ADUs
- Quickly begin to implement BP Denver
Can I use an accessory dwelling unit (ADU) as a Short-Term Rental (STR)?

- As discussed during an August, 2020 STRAC meeting, an ADU may be used as a STR by a property owner or long-term renter who is living in the primary structure on the property.

- An owner or renter living in an ADU may not conduct a short-term rental in the primary structure.

- For more information about ADUs and STRs, please refer to the following resources:
  - [Read the Denver Zoning Code Interpretation](#) published by the Zoning Administrator regarding Short-Term Rental (STR) Accessory Use
  - [Watch a video](#) of the presentation given by Community Planning and Development at the August 11, 2020 STRAC meeting
  - [View the slide deck](#) presented by Community Planning and Development at the August 11, 2020 STRAC meeting
  - [Watch a video](#) of a special Question and Answer session with Community Planning and Development on September 15, 2020
  - [Read additional questions and answers](#) about ADUs and STRs
Accessibility in the STR Market

• News, studies and anecdotes indicate lack of units, wrongfully advertised units, and discrimination

• The ADA and FHA largely do not cover STRs under exemptions (e.g. fewer than 5 rooms)

• AirBnB has a non-discrimination policy and search filters to help disabled guests; compliance and accuracy still a concern

• EXL exploring possibility of collecting data on accessible units
STRAC Meeting Dates

- December 14, 2021
- February 8, 2022
- May 10, 2022
- August 9, 2022
- November 1 or 15, 2022

Possible Topics

- Accessibility in STRs?
- STR Impact on Housing?
- Others?

- Meetings held 2nd Tuesday of month
- All meetings held via Zoom
- Additional meetings 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 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.