

## Denver Short-Term Rental Advisory Committee (STRAC)

Tuesday, January 14, 200 – 4:00 to 5:30pm

Wellington Webb Municipal Building  
 201 West Colfax Avenue  
 Conference Rooms 4.F.6 and 4.G.2 (4th floor)

<b>ATTENDANCE</b>		
<b>STRAC Member</b>	<b>Representing</b>	<b>Present?</b>
<b>Carrie Atiyeh</b>	Visit Denver	✓
<b>Laurie Bogue</b>	Non-Host	resigned
<b>Susan Bailey</b>	STR Host	✓
<b>Mary Lou Fenili</b>	Community Advocate	✓
<b>Councilman Kevin Flynn</b>	City Council District 2	✓
<b>Erin Ganser</b>	STR Host	✓
<b>Jack Garber</b>	STR Host	resigned
<b>Buffy Gilfoil</b>	STR Host	✓
<b>Amie Mayhew</b>	Colorado Hotel & Lodging Association	
<b>George Mayl</b>	INC	✓
<b>Monisha Merchant</b>	Airbnb	called in
<b>Michael Murphy</b>	Community Advocate	✓
<b>David Pardo</b>	STR Property Manager	✓
<b>Councilwoman Amanda Sawyer</b>	City Council District 5	✓
<b>Cindy Sestrich</b>	Community Advocate	✓
<b>Cindy Wagstaff</b>	STR Host	✓
<b>Charlotte Winzenburg</b>	Community Advocate	✓
<b>Sabrina Zunker</b>	Denver Metro Association of Realtors	✓

STAFF ATTENDANCE		
Other City Members	Department	Present
Alex Cobell	Excise and Licenses	✓
Molly Duplechian	Excise and Licenses	✓
Chris Gaddis	City Attorney's Office	✓
Erica Rogers	Excise and Licenses	✓
Brian Snow	Excise and Licenses	✓

MEETING NOTES	
Item	Discussion
Introductions	<ul style="list-style-type: none"> <li>Molly Duplechian opened the meeting and the committee introduced themselves. The Department has received feedback that it is hard to hear the committee members, so we have returned to using microphones.</li> <li>Molly introduced the Director of Excise and Licenses, Ashley Kilroy, who was in attendance to present certificates of appreciation to the STRAC members. Ashley thanked the committee members for their collaboration with hosts and neighbors, stating that this collaboration is essential to develop good regulations. She noted that the values set forth early on by the STRAC have been key in guiding the Department to ensure protection of our hosts and neighborhoods. She thanked the group for the work they had completed in 2019 and commended them for their dedication to doing more work in 2020.</li> <li>Molly reiterated Ashley's sentiments, noting that the contributions of both committee members and the public help us make better policy decisions.</li> </ul>
Old Business	<ul style="list-style-type: none"> <li>Monisha provided an update on the ongoing request for Airbnb to remove unlicensed advertisements from their platform. She stated that the company has drafted a Memorandum of Understanding (MOU) that it has shared with the City for consideration.</li> </ul>

	<ul style="list-style-type: none"> <li>• George reminded Monisha that he has been asking Airbnb for over a year whether Airbnb will remove any advertisements that are not licensed, and if so, when we could expect for that to happen. He asked if there was any new answer from them on this issue. Monisha reiterated that the company has drafted an MOU and sent that to the City, and that they are awaiting a response from both the city and other platforms. George expressed frustration and stated that he hoped there would be some resolution to this ongoing issue soon.</li> <li>• Molly confirmed that the City has received the draft MOU from Airbnb. She also noted that the City has sent Airbnb a list of advertisements that need to be removed because we have discovered that the properties listed have been sold and the new owner is unable to remove the advertisements for their home.</li> <li>• Mary Lou asked what would happen if other platforms do not want to sign a similar MOU. Molly noted that the City will continue to do the work that we have committed to doing in 2020, which is ensuring that platforms are meeting the necessary requirements by law and pursuing stronger requirements for platforms. She stated that this plan of action is still on the table, regardless of whether there is or isn't an MOU. Molly stated that we are aware of one platform – booking.com – who is already removing outdated listings when we let them know they need to be removed.</li> <li>• David asked what percentage of short-term rental listings are on each platform. Brian responded that about 90-92% of all advertisements in Denver are listed on Airbnb, and several other platforms split the other 8-10%.</li> </ul>
Licensing and Enforcement Updates	<ul style="list-style-type: none"> <li>• Molly went over the most recent STR Compliance/Trends information – see slide #4 of the 1.14.2020 STRAC presentation. Molly noted that we had a great year in 2019 with a steady licensing rate at ~ 75%.</li> <li>• Molly next reviewed a snapshot of the calls received through 311 regarding short-term rentals– see slide #5 of the 1.14.2020 STRAC presentation. Trends we saw included an increase in calls about questions with notices of violation, a high number of inquiries/complaints about primary residence, and a high number of calls about the status of an application. These trends make sense when you consider that one of the STRAC's goals for 2019 was increased enforcement.</li> </ul>

	<ul style="list-style-type: none"> <li>• Michael asked how many inquiries go through email rather than 311. Molly noted that most inquiries/complaints are tracked through 311 regardless of whether they are called in or emailed in, so very few inquiries are untracked.</li> </ul>
Policy Updates	<ul style="list-style-type: none"> <li>• Erica reviewed the updates from the policy team. She reviewed the policy recommendations put forth by the STRAC at the end of last year, noting that the group had recommended changes to the ordinance in two phases, with the first phase making updates to existing language, and the second phase adding additional language.</li> <li>• Progress has been made on Phase 1 – the group’s recommendations were shared with city attorneys who put together the DRAFT ordinance language to share at this meeting. Erica also noted that progress is underway on the first steps of Phase 2 – the attorneys are also conducting the legal research necessary to inform any changes that the group can consider for property manager and/or platform requirements.</li> <li>• Erica then reviewed the exact changes that would be made if the DRAFT ordinance language were to go into effect. See slides #8-15 of the 1.14.2020 STRAC presentation. She also reviewed some examples of applications that may be approved, investigated, or denied under the ordinance. Importantly, all applicants have the right to request an appeal of the decision on their application, and that would not change.</li> <li>• Molly then reviewed the budgetary reasoning behind the license fee increase. See slides #17 of the 1.14.2020 STRAC presentation.</li> <li>• The committee had several comments to offer regarding the proposed DRAFT language:             <ul style="list-style-type: none"> <li>○ David stated his concern that the definition stating that “habitation is fixed,” noting that this was not the reality for many of his peers. He described his point of view as a young, single, millennial who does not expect to stay in the same place for long enough to get to know neighbors.</li> <li>○ Sabrina stated that she was “frustrated and disappointed.” She asked several questions about the case studies presented. She noted that she was not fully supportive of the primary residence requirement generally. Erica reminded the group that the DRAFT ordinance was written to reflect the committee’s suggestion that the requirement be bolstered, and that the discussion should focus on whether this language meets that goal.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Councilman Flynn and several other committee members voiced their support for a strong primary residence requirement. Councilman Flynn reminded the group that the ordinance likely would not have passed in 2016 if it didn't contain the primary resident requirement.</li> <li>○ Councilwoman Sawyer reiterated that this group heard from the public that one size does not fit all, and that a certain degree of flexibility is required and the proposed language empowers the investigative services to do their job.</li> <li>○ After several comments referencing the study that showed STRs are not currently impacting affordability due to the primary residence requirement, Buffy added a comment that there are also concerns about the fabric of the neighborhood and that STRs were never intended to be a commercial use.</li> <li>○ Erin expressed concern for the possibility of subjectivity within the language and suggested that the language in Sec. 33-53 (a) (5) be changed from "the number of days" to "the amount of time".</li> <li>○ Michael asked if the factors included in Sec. 33-53 (a) were weighted and expressed the importance of consistency, so people know what to expect. EXL staff responded that at a hearing, it would be up to independent hearing officers to listen to the testimony at each hearing to discern the totality of the circumstances before reaching a conclusion.</li> <li>○ Susan stated that she thought the changes add clarity and necessary granularity and requested that all extraneous topics be addressed at a later time. She additionally offered to help assist with some sub-committees or workgroups to address those side items.</li> <li>● Erica wrapped up the conversation in order to ensure enough time for public comment but urged committee members and those in attendance to provide any additional feedback on the DRAFT language via email. She noted that the Department would accept this feedback through January 31, and would use that feedback to make any necessary tweaks to the ordinance before bringing it back to the STRAC in February. She reminded the group that no language would be presented to City Council in the interim.</li> </ul>
STRAC Meeting Standards	<ul style="list-style-type: none"> <li>● Erica noted that she had put together a draft of an expanded STRAC Purpose and Requirements document for review by the committee. Due to time constraints, she did not go into the document at length, noting that it was a summary of all previous recommendations. She asked that if members have any feedback on the document before it is finalized, to please email her with comments and feedback.</li> </ul>

New Business	<ul style="list-style-type: none"> <li>• Erica briefly reviewed two topics that she would further address at the February meeting: 2020 Goal Setting and an open application process to fill STRAC vacancies in line with the new Purpose and Requirements Document.</li> </ul>
Public Comment*	<ul style="list-style-type: none"> <li>• *For purposes of minutes, only first names of the those providing public comment are used. Additionally, comments received via email by those who cannot attend STRAC meetings are shared with the committee, but are not read aloud at meetings.</li> <li>• Katie – Katie voiced her disapproval of the DRAFT ordinance language. She indicated that she did not believe these matters are any of the City’s business. She voiced her opinion that investigations are blatant overreach and will result in litigation. She also asked how the City intends to enforce these standards. Finally, she recommended the City implement a verified complaint system instead.</li> <li>• Alex – Alex expressed his opinion that the current DRAFT ordinance needed to be modified. He noted that the provision that entitles applicants to a hearing had been removed* and that the notion of fixed habitation does not seem to allow for unique circumstances or for persons without a fixed residence. He also expressed his belief that this would cause a significant administrative burden on the City to enforce the ordinance. He noted that that the use of general language in the DRAFT ordinance goes against purpose of committee to protect hosts who are operating legally. <i>*For clarification, the DRAFT ordinance strikes a redundant hearing provision but does not eliminate an applicant’s right to request an appeal hearing.</i></li> <li>• Jenn – Jenn expressed her disapproval of the changes in the DRAFT ordinance language. She stated that she understood that the Department needs to have the ability to issue fines to licensees who are breaking the law, but does not understand the need to investigate applicants applying for a license. She stated that she was “winging it” when she first started and doesn’t think applicants should be treated like criminals. She recommended the committee consider looking into hosting certification program.</li> <li>• Susan – Susan spoke about her home and how it was where her mother grew up. She stated that more economic research should be done on short-term rentals. She noted that she applied for a license in December and that she got a notice that the application was going to “police review” so she called 311 to discover her license had been denied. She talked about how she takes care of her neighborhood and</li> </ul>

	<p>hopes to see changes.</p> <ul style="list-style-type: none"> <li>• Gretchen – Gretchen is a host who also runs a hosting company and cleaning company with her husband Jim. She talked about the importance of offering concrete feedback and solutions. She spoke about the city of Henderson, NV which requires applicants to take a class and pay \$825 before they can be licensed. She stated that the class is \$225 and it covers best practices and things that a host needs to know about the industry. She also spoke about the importance of having a home share resource center to continue education of hosts. Finally, she noted that Denver is not requiring inspections of host properties but many cities have a self-inspection process that Denver could consider implementing. She closed by saying that the committee should address problems we can actually fix.</li> <li>• Jim – Jim expressed concern over the DRAFT ordinance language requiring that habitation be fixed because he doesn't know what that is supposed to mean. He noted that the application process should include a way to upload additional documents right away so that a host with unique circumstances can show that up front without having to go to a hearing. He also voiced support for certain rights that are granted to applicants and the use of applicant friendly language. Finally, he noted that he understood the need for some subjective language, but also wondered how this would affect lifelong residents of Denver who choose to travel later in life and want to rent out their home after being present for 40-50 years.</li> <li>• Danielle – Danielle is a Denver resident and short-term rental host. She shared a few thoughts about the DRAFT ordinance language. First, she agreed with other commenters that the phrase "habitation is fixed" is unhelpful to someone who considers themselves a "digital nomad" or other folks that travel. She noted that the average citizen might not understand that they would be approved. Second, she disagreed with the provision stating that the number of days a person is present could be considered – she noted that many opposed the 183-day requirement for the same reason.</li> </ul>
Other Items/Adjourn	<ul style="list-style-type: none"> <li>• Molly thanked the speakers and closed the meeting. She reiterated that the DRAFT ordinance language presented is just that – a DRAFT – and encouraged those present to submit written comments to <a href="mailto:STR@denvergov.org">STR@denvergov.org</a> by January 31 so the Department can consider everyone's feedback.</li> </ul>
Next meeting	<ul style="list-style-type: none"> <li>• Tuesday, February 11, 2020 at 4:00 p.m. in 4.F.6 of the Wellington Webb Building (201 W. Colfax Avenue).</li> </ul>