

Denver Short-Term Rental Advisory Committee Meeting Minutes

October 8, 2019

1. Attendance

Participant	Organization	Present?
Airbnb Representative	Airbnb	
Carrie Atiyeh	Visit Denver	✓
Laurie Bogue	Non-Host	
Susan Bailey	STR Host	✓
Mary Lou Fenili	Community Advocate	✓
Councilman Kevin Flynn	City Council District 2	
Erin Ganser	STR Host	✓
Jack Garber	STR Host	✓
Buffy Gilfoil	STR Host	✓
Amie Mayhew	Colorado Hotel & Lodging Association	
George Mayl	INC	✓
Michael Murphy	Community Advocate	✓
David Pardo	STR Property Manager	✓
Cindy Sestrich	Community Advocate	✓
Cindy Wagstaff	STR Host	
Charlotte Winzenburg	Community Advocate	
Sabrina Zunker	Denver Metro Association of Realtors	✓

2. Agenda

- I. Introductions
- II. Old Business
 - Airbnb Update
 - Previous Data Requests
- III. STRAC Meeting Standards

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- IV. Licensing and Enforcement updates
- V. STR Current Events
- VI. New Business
 - Policy Summary and Next Steps
- VII. Public Comment
- VIII. Other Items/Adjourn

3. Meeting Notes

Item	Discussion
Introductions	<ul style="list-style-type: none"> • Molly Duplechian opened the meeting and the committee introduced themselves. • Erica noted that due to a recent increase in the number of people wishing to provide public comment, the public comment slips have been updated to include room for participants to write a brief summary of their testimony on the slip. This will allow staff to capture public input should we run out of time to hear public comment at the end of the meeting.
Old Business	<ul style="list-style-type: none"> • Molly began the meeting by providing some background on the STRAC and some reminders for new attendees. <ul style="list-style-type: none"> ○ Background: Prior to 2016, there was no legal mechanism for the operation of short-term rentals in Denver. However, with the growth of the industry Denver recognized the presence of the short-term rental host community and created a licensing structure to ensure a legal mechanism for operation. ○ Reminders: STRAC is a body made up of hosts, community members, elected officials, and others from the industry that meets regularly to discuss the ever-evolving industry and how

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	<p>Denver can maintain the right balance of regulations to protect short-term rental hosts, guests, and neighbors.</p> <ul style="list-style-type: none">○ Cindy S. also commented that STRAC members embrace the new short-term rental industry and responsible hosting. She asked that as new attendees listen to the content of the meeting and if they had signed up for public comment, to provide the group with proposed solutions to any issues that are negatively affecting any of those involved or impacted by the industry. She reminded attendees to be specific and solution-oriented in offering testimony.○ George also noted that the ordinance is in place to protect the citizenry.● There was no update from Airbnb as they were not on the phone or present at the meeting.<ul style="list-style-type: none">○ David asked whether we would be assigned a new Airbnb representative as we have not heard from Airbnb in several months at the STRAC meetings. Molly stated that the City has not heard anything official on this end.○ Michael asked if there has been any recent dialogue between the City and Airbnb. Molly stated that there has not, but that we hope to hear from Airbnb.○ Susan noted that while no official notification has taken place, she has heard from her contacts at Airbnb that Kemi would be moving on from Denver. Molly restated that the City had not received any official notification from Airbnb.● Molly, Brian, Erica, and Katherine (OED) then discussed several of the previous requests that STRAC members have made for data. These included:<ul style="list-style-type: none">○ Housing vacancy rates (Katherine) – see slide #3 of 10.9.19 STRAC presentation<ul style="list-style-type: none">▪ Katherine discussed the slide comparing vacancy rates in Denver to the metro average.▪ David asked how many rental units there are in Denver. Molly responded that we do not have data on long-term rentals because there is no registry or license required for long-term rentals.○ Administrative citation collection rates – see slide #4 of 10.9.19 STRAC presentation<ul style="list-style-type: none">▪ Brian discussed the citation collection rate slide.▪ Cindy asked about the length of time before a citation goes to a collection agency. Brian responded that he wants to give everyone a chance to come into compliance, so fines do not go to a collection agency until the third citation; however, if you have
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	<p>outstanding fines with the city when you apply for a license, your application is locked until those fines are paid.</p> <ul style="list-style-type: none"> ○ Litigation costs in other cities – see slide #5 of 10.9.19 STRAC presentation <ul style="list-style-type: none"> ▪ Erica went over the Miami Beach case and the challenges inherent in collecting litigation cost information. The City will continue to monitor lawsuits in other jurisdictions and the associated costs where possible. ▪ Michael asked Erica to summarize the argument being made by Airbnb in this and other cases. Erica noted that the court documents indicate that the company has claimed that certain provisions of the Communications Decency Act prevent them as a platform from being able to remove certain content. ○ Inside Airbnb data – see slide #6 of 10.9.19 STRAC presentation <ul style="list-style-type: none"> ▪ Molly presented the Inside Airbnb, a public website. She stated that she did not want to draw speculative conclusions, but did want to provide the group with the requested data.
STRAC Meeting Standards	<ul style="list-style-type: none"> ● Molly stated that over the course of the past few meetings, the City has received requests for updates to the meeting standards and guidelines. Specifically, Molly went over the requests for more clarity in the public comment process and asked the board for feedback. ● David mentioned that he thought an attendance requirement would be helpful. ● Buffy asked how the application process for joining the STRAC works. Erin also asked about selection criteria. ● Susan mentioned that it might be nice to have a formalized document explaining some of these processes, and that she was happy to lead a sub-committee to do some research and report back at the next STRAC meeting. Sabrina noted her support for the idea, and added that another good topic to address would be agenda development. ● David asked about member composition, and Molly discussed the importance of having a diverse range of views represented on the committee. ● George noted that the number of licenses in comparison to the number of residents in Denver is

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	<p>relatively small, so if having a conversation about representation, he felt that the short-term rental industry should not make up a majority of the committee.</p> <ul style="list-style-type: none"> • Buffy asked about City Council representation on the committee as she was unsure who the current representatives are. Molly responded that Councilmembers Flynn and Sawyer are the appointed representatives. Councilwoman CdeBaca and her staff were also present in the audience at this particular meeting.
<p>Licensing and Enforcement Update</p>	<ul style="list-style-type: none"> • Molly and Brian reviewed the compliance data regarding licensure, noting that we are seeing a very high rate of licensure. Brian also noted that a software update will reduce the time needed per citation, so we will see increased efficiency in that area. • The slide reviewing number of calls concerning STRs has been modified to see the change over the course of time from 2018 to 2019. <ul style="list-style-type: none"> ○ Topics that have received more calls this year than last year include: <ul style="list-style-type: none"> ▪ Inquiries about how to apply for a license, checking on status of an application, and how to remedy an insufficient application ▪ Calls regarding notices of violation ▪ Inquiries and complaints about primary residence ○ Topics that are less popular this year than last year include: <ul style="list-style-type: none"> ▪ General inquiries and other complaints ▪ Calls regarding issues with the online platform ▪ Surrender of licenses • Molly noted that there is no significant update from last month from Treasury on amount of taxes collected. Brian noted that we may be seeing an increase after October 1, when Expedia Group began collecting and remitting taxes to the city on behalf of its hosts. Prior to October 1, Airbnb was the only platform performing this service in Denver.
<p>STR Current Events</p>	<ul style="list-style-type: none"> • Molly presented some recent news stories from Santa Monica and Los Angeles, as well as some national trends. See slide #12 of 10.9.19 STRAC presentation

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<p>Policy Summary and Next Steps</p>	<ul style="list-style-type: none"> • Erica reviewed the 2019 STRAC Values, Goals, and Plans slide, reminding the audience that these values, goals, and plans were formulated by the STRAC at the beginning of the year, and that the discussions that the group has had over the summer have been based on these identified values, goals, and tasks. • Erica then reviewed a summary of the Policy Recommendations that the STRAC has provided and outlined a path for moving forward with some legislative changes. See slide #14 of 10.9.19 STRAC presentation. <ul style="list-style-type: none"> ○ Based on STRAC discussions, questions, and comments, as well as public comment, she summarized a two-phase plan to update the short-term rental ordinance. Phase 1 would update existing provisions of the ordinance regarding primary residence and fees, and Phase 2 would add new provisions governing property managers and platforms engaging in short-term rental activities. ○ She reviewed the changes to current language that the group had discussed, as well as some of the additional research and data needed to move forward with any new provisions. • Erica proposed a quarterly timeline for each phase. See slide #15 of 10.9.19 STRAC presentation. • Erica asked the group if the summary accurately captured the STRAC’s feedback and direction, and the committee agreed. Erica stated that City staff would move forward with these Policy Recommendations and provide an update at the next meeting.
<p>Public Comment*</p>	<ul style="list-style-type: none"> • *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. • Gretchen – Gretchen noted that as a city with a high licensure rate, she sees regulations regarding primary residence as unnecessary. She noted that she is a member of the hosting community and would like to see more educational components for hosts who may not understand what, if anything, they are doing wrong. • Jack – Jack is on the board of a condominium downtown and stated that while his group is neutral on the existence of short-term rentals generally, they are opposed to illegal short-term rentals. He thanked the enforcement team for cracking down on those running a short-term rental in violation of the law.

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- Jon – Jon stated that short-term rentals are a great thing for him and his family. He suggested that the City come up with a process whereby hosts can be notified if a complaint has been filed against them. He stated that currently, no such system exists so hosts may be unaware that there is an issue and unable to fix the problem before it escalates.
- Roger – Roger is a licensed host who was not in favor of the process for sending affidavits of primary residence. He also expressed frustration with the amount of time it takes for the city to review a license application.
- Mike – Mike was a previous member of STRAC and wanted to remind everyone that when the laws were crated, there were large amounts of people who had different opinions. He suggested that the public and the committee recall this spirit of the early days of short-term rentals and engage with differing sides.
- Suzanne – Suzanne thanked the City for their enforcement efforts. She stated that it's not just large parties that create problems for the neighbors of short-term rentals, but that a constant stream of new people in and out. She also suggested that there be more education for community members about how to file a complaint. She closed with a comment regarding the effects on homeless youth when units that could otherwise be long-term rented are taken off the market for short-term rental use.
- Bridget – Bridget asked if the City was still considering the 183-day rule. Erica answered no. Bridget also mentioned that she thinks the licensing fees are really low, and suggested that 420-friendly rentals pay an additional fee. She voiced her opinion that short-term rentals should be treated more like motels because that is how they function in a neighborhood.
- Kayla – Kayla owns a cleaning company that cleans mostly short-term rentals and talked about the positive role that short-term rentals have played in her success. She was a teen mom of two, and stated that the revenue created by being able to clean short-term rentals allows her to hire other single moms. She stated her general support for the existence of short-term rentals.
- Travis – Travis told his story of being a short-term rental host since 2016 and how the additional income allowed him to afford monthly expenses and support local businesses in his community. He agreed that the city should embrace and support short-term rentals.

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	<ul style="list-style-type: none"> • Alex – Alex has lived in Denver her entire life and is a student at Auraria. She said that as a student, she appreciates the additional revenue that can be collected by hosting a short-term rental. However, she also noted that bad operators, such as the one she lives next to, attract only large parties with intoxicated guests that try to enter her home and disturb the neighbors. She said she feels that she’s being taken advantage of by the owner/operator of the property. • Amanda – Amanda is a host and talked about how empowering it is to have a small business and a backup plan for emergencies. She hosts her guests in a private basement unit and has seen positive effects from being a part of the host community. However, she also advocated for more serious repercussions for bad hosts. • Becky – Becky lives next to a short-term rental that only rents to parties of 12 or more. She discussed the issues she encounters, such as guest congregation in the front yard to smoke, high levels of noise, and new people in the space every week, meaning that she has had to get up in the middle of the night to tell people to be quiet over and over again. She said she initially supported the short-term rental industry, but this experience has put a black eye on the industry. • Josh – Josh stated his support for short term rentals and discussed some of the positive impacts he has experienced from hosting. For example, he cited knowing his neighbors better than he did previously, using money saved from not booking hotels, and supporting local businesses by hiring someone to help him manage his property. He wanted to remind everyone that short-term rentals are a nice place to stay for cheaper than a hotel.
Other Items/Adjourn	<ul style="list-style-type: none"> • Molly thanked the speakers and closed with a few reminders. <ul style="list-style-type: none"> ○ She reminded the audience members that City staff is on the same page regarding many of the comments. She noted that the 2016 short-term rental ordinance legitimized the industry, and as the industry grows, the City is here to ensure a proper balance of regulation, not to stifle or repress the industry. ○ She also noted that anyone with questions about a pending application is welcome to stay and chat afterward. • David noted that as a property manager, he sees a lot of requests for short-term rentals for bachelor parties and the like, but he makes it a personal point not to direct these groups into residential zones

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	<p>where the noise would bother neighbors. He would love to see a solution to this market demand that doesn't have such a negative impact on neighborhoods.</p> <ul style="list-style-type: none">• Sabrina emphasized the requests for more transparency around application review and communication with license holders. She suggested solutions to make processes more automated and communication more efficient. She suggested a flow chart for neighbors of bad operators so they know what they are able to do and in what order. She noted that with all of the taxes being collected from short-term rentals, some of the money should go into evolution.
Next meeting	<ul style="list-style-type: none">• December 10, 2019 at 4pm in 4.F.6 of the Wellington Webb Building (201 W. Colfax Ave.