

Denver Short Term Rental Advisory Committee

August 13, 2019

Excise and Licenses

Old Business

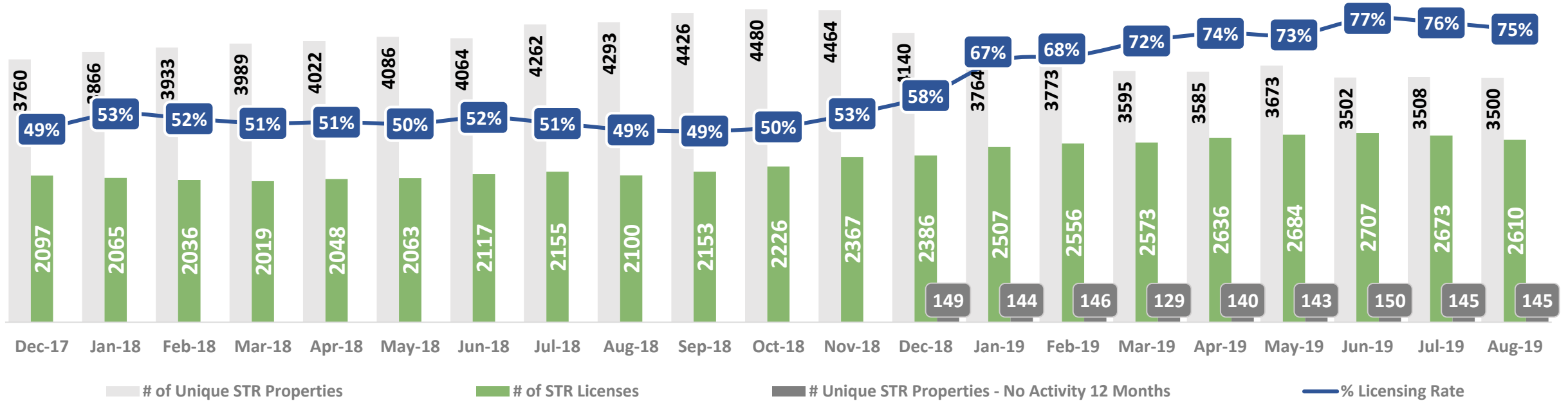
- Airbnb Updates
- Fine Structure
- New Application Format



Licensing & Enforcement Updates



STR Compliance/Trends



	Aug-18	Jul-19	Aug-19	MoM	YoY
# of Unique STR Properties - Active	4,293	3,508	3,500	0%	-16%
# Unique STR Properties - No Activity 12 Months	-	145	145	0%	-
# of STR Licenses	2,100	2,673	2,610	-2%	24%
% of Units Identified	72%	86%	83%	-3%	16%
% Licensing Rate	49%	76%	75%	-2%	52%

Lodger's Tax Update (as of 8/13/19)

Lodger's Tax Accounts	STR Business Licenses (active)	Pending Applications	Pending Renewals	Difference (Tax v. Active Business Licenses)
3,399 (as of 8/13/19)	2,610	154	178	488 (down from 488 in April)

	2017 Total	2018 Total	2019 YTD
Lodger's Tax collected	\$3.5M	\$8.36M	\$6.9M
% of Lodger's Tax collected		7.5%	11%

- This amount does not include OPT or license fees.

STR Enforcement

Enforcement Tool	Violation	Volume	Outcome
Affidavit of Primary Residency	Failure to meet primary residence requirement	199 since 3/1/2019	<ul style="list-style-type: none"> • 87 surrendered licenses • 117 withdrawn applications
Application Review	Questionable upon review of application submittal	240 new/renewal applications since 1/1/2019	<ul style="list-style-type: none"> • 117 withdrawn applications • 39 issued after investigation • 27 in-progress denial investigations • 24 applications pending formal denial • 16 closed as incomplete
Investigation Reports	Complaint-based	132 since 1/1/2019	<ul style="list-style-type: none"> • 87 surrendered licenses • 8 investigations completed w/o discipline initiated • 31 investigations in-progress • 5 pending order to show cause • 1 license revoked • 1 settlement (license surrendered)

STR Complaints

Complaints-Volume	Type
4,390 since 1/1/18	<ul style="list-style-type: none">• 1,128 application issues (online issues, status check)• 1,327 calls regarding a notice of violation• 565 non-primary residence complaints• 169 general complaints• 120 calls regarding surrendering a license• 261 calls regarding an insufficient application

Current Events



- New Orleans:
 - New Orleans City Council approved new rules which include a cap on STRs in non-residential districts, a requirement that people who operate an STR in a residential district live onsite and a requirement for STR platforms to obtain permits in order to operate within the City.
 - Platforms permitted by the City will be required to prevent STR properties from advertising on their platform if they don't have permission from the City.
 - Also includes an operator provision (for the property managers that run the STR business but don't own the property) that requires operators to be permitted and meet similar requirements as the platforms.
 - 25% cap on the number of units within a single commercially zoned buildings can be occupied by STRs.
 - The City Council considered, but did not include in this version of the ordinance, a matching requirement where an affordable housing unit would need to be matched with the creation of an STR unit.
 - [City Council passes tighter restrictions on short-term rentals](#)
- Oahu
 - New legislation signed regulating operation of short-term rentals on Oahu.
 - Differentiates between bed and breakfast homes and transient vacation homes.
 - No more than 0.5% of total dwelling units in each regional development area can be used as STRs (approximately 1700 total, while there are currently an estimated 8,000-10,000 short-term rentals available).
 - STRs will be limited to individual rooms in owner-occupied houses, with a maximum of two rooms allowed to be available for short-term rental.
 - Unlawful for a hosting platform to provide and collect, or receive a fee for booking series in the bed and breakfast or STR is not lawfully registered. Fines for violation of this provision will be not less than \$1000 and not more than \$10,000 per day.
 - Vetoes a different bill that would have prevented any permitting of new short-term rental units.
 - [Honolulu Mayor Signs Measure To Regulate Short-Term Rentals](#)
- Louisville:
 - Recent overhaul of STR rules places emphasis on whether a home is rented by a primary resident.
 - If the property is being rented by a non-primary resident, the permitting process is lengthier and it can be denied if another home already permitted for STR is within 600 feet.
 - [What's your 'primary residence?' Louisville's new Airbnb rules make that a key question](#)

Short-Term Rentals & Housing Costs



Platform Accountability



STRAC Values, Goals, and Plans

Value	Goals	Suggested Tasks
Protect the fabric and character of Denver neighborhoods and the residents who live there	<ul style="list-style-type: none"> • Ensure that regulations are enforceable • Pursue consistent enforcement against non-compliant hosts and hosting platforms 	<ul style="list-style-type: none"> • Adopt compliance requirements/guidelines for hosting platforms <ul style="list-style-type: none"> • Requirements for transparency in tax collection + remittance • Requirements for data sharing/reporting • Consequences for advertising unlicensed properties • Consequences for failure to comply with local laws and rules • Issue more orders to show cause against non-compliant operators and address back log of primary residence complaints • Adopt compliance requirements/guidelines for property management companies • Adopt stricter consequences and increase fines for non-compliance
Ensure STRs do not negatively impact the housing stock for permanent residents	<ul style="list-style-type: none"> • Bolster “primary residence” requirement 	<ul style="list-style-type: none"> • Clarify definition of “primary residence” and/or “place of normal return for housing” by updating the STR ordinance and/or zoning code • Address different problems faced by non-compliant hosts in single family dwellings vs. multi-unit properties
Foster innovation and new business models by encouraging voluntary compliance	<ul style="list-style-type: none"> • Improve technology and user friendliness of process • Clarify requirements for compliance 	<ul style="list-style-type: none"> • Update the online application and renewal process • Engage in community outreach by hosting workshops for hosts and real estate agents to explain laws and rules and answer questions • Pursue strategies for more clarity and transparency in tax and licensure documentation available to hosts from City and hosting platforms

Common Platform Accountability Provisions

Licensure

Reporting

Listing Management

Penalties

Boston, MA

Chicago, IL

Louisville, KY

Los Angeles,
CA

Miami
Beach, FL

New Orleans,
LA

New York, NY

Portland, OR

San
Francisco, CA

Santa
Monica, CA

Seattle, WA

Washington,
DC

Licensure

City	License required?	Fee	Fee period	Non-compliance?
Chicago	For any short-term rental booking service or advertising service with listings in the City	<p>Booking services: \$10,000 base + \$60 per unit listed</p> <p>Advertising services: \$5,000 for 999 or fewer listings \$10,000 for 1,000 listings or more</p>	Annually	\$1,500 - \$3,000 for each offense; each day that a violation continues is a separate offense
Seattle	For any person operating a platform within the City	Fee based on total number of nights booked for short-term rental use through the platform, calculated using reports or Director's estimate if reports not submitted	Quarterly	<p>\$500 per day for each violation for the first 10 days</p> <p>\$1,000 per day for each violation for each day beyond ten days of non-compliance</p>

Reporting

City	Frequency	Info required
Boston	Monthly	All listings maintained, authorized, facilitated, or advertised during reporting period; location of listings; whether the listing is a room or whole unit; and number of nights unit was reported as occupied
Chicago	Monthly	Owner name, license number, and listing address of every advertisement listing; Total number of booking service listings, along with number of nights rented, the rate charged, and taxes paid by the platform to the city
Los Angeles	Monthly	Host name, registration number, listing address for every booking that occurs in reporting period
Louisville	Monthly*	Total number of short-term rental listings on the platform and total number of nights that listings are rented during the reporting period
New Orleans	Monthly	Total number of short-term rentals, total number of nights each listing was rented, cumulative tally of the number of nights each listing has been booked, total amount of tax collected and remitted to city, license types
Santa Monica	“Regular basis”	Host name, listing address, length of stay for each listing, and price paid for each stay
Seattle	Quarterly	Total number of short-term rental listings on the platform and total number of nights that listings are rented during the reporting period
Washington, DC	Monthly	Host name, license number, listing address and url, dates booked for each listing, rate charged

Listing Management & Penalties

City	Duty not to process/list	Listing removal provisions	Penalty for processing non-compliant listings
Boston			X
Chicago	X	X	X
Louisville		X	X
Los Angeles	X		
Miami Beach	X		X
San Francisco	X		X
Santa Monica	X		X
Seattle		X	X
Washington DC			X

Public Comment



Next STRAC meeting: Tuesday, September 10, 2019

Remaining 2019 Meetings:

10/8/19

12/10/19