Denver Short Term Rental Advisory Committee

December 8, 2020

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 Erica.Rogers@denvergov.org
Licensing & Enforcement Updates
STR Compliance/Trends

<table>
<thead>
<tr>
<th>Date</th>
<th>Dec19</th>
<th>Nov20</th>
<th>Dec20</th>
<th>MoM</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td># Active STR Licenses</td>
<td>2,732</td>
<td>1,994</td>
<td>1,947</td>
<td>-2%</td>
<td>-29%</td>
</tr>
</tbody>
</table>
### 311 Data and Trends

<table>
<thead>
<tr>
<th>Call Type</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Citation</td>
<td>6</td>
<td>2</td>
<td></td>
<td></td>
<td>7</td>
<td>17</td>
<td>4</td>
<td>24</td>
<td>3</td>
<td></td>
<td></td>
<td>63</td>
</tr>
<tr>
<td>Application</td>
<td>37</td>
<td>16</td>
<td>30</td>
<td>38</td>
<td>47</td>
<td>45</td>
<td>41</td>
<td>39</td>
<td>44</td>
<td>116</td>
<td>89</td>
<td>542</td>
</tr>
<tr>
<td>Notice of Violation</td>
<td>43</td>
<td>7</td>
<td>30</td>
<td>31</td>
<td>12</td>
<td>2</td>
<td>11</td>
<td>10</td>
<td>22</td>
<td>36</td>
<td>17</td>
<td>221</td>
</tr>
<tr>
<td>Property Complaint</td>
<td>39</td>
<td>23</td>
<td>25</td>
<td>21</td>
<td>18</td>
<td>26</td>
<td>32</td>
<td>40</td>
<td>19</td>
<td>21</td>
<td>15</td>
<td>279</td>
</tr>
<tr>
<td>General Inquiry</td>
<td>110</td>
<td>70</td>
<td>56</td>
<td>25</td>
<td>37</td>
<td>36</td>
<td>25</td>
<td>29</td>
<td>44</td>
<td>57</td>
<td>32</td>
<td>521</td>
</tr>
<tr>
<td><strong>Total Calls</strong></td>
<td>229</td>
<td>116</td>
<td>147</td>
<td>117</td>
<td>114</td>
<td>109</td>
<td>116</td>
<td>135</td>
<td>133</td>
<td>254</td>
<td>156</td>
<td>1626</td>
</tr>
</tbody>
</table>
311 Data and Trends

![Graph showing data and trends for different months in 2020. The graph includes columns for Administrative Citation, Application, General Inquiry, Notice of Violation, and Property Complaint. The months are January to November, and the graph shows the number of cases for each category.]
311 Data and Trends

- Property Complaints: 17%
- Inquiries & Questions: 32%
- Administrative Citation or Notice of Violation: 17%
- Applications: 33%
STR Application Data

Pending Applications
- As of December 4, we had 176 total pending applications
  - 67 pending applications are awaiting applicant action
  - 80 pending applications are under review by EXL
  - 29 pending applications are under review by another city agency

New Applications
- We received 177 total applications during the month of August:
  - 66 applications for new STRs
  - 111 STR license renewal applications
- We received 168 total applications during the month of September:
  - 58 applications for new STRs
  - 110 STR license renewal applications
- We received 213 total applications during the month of October:
  - 72 applications for new STRs
  - 141 STR license renewal applications
- We received 147 total applications during the month of November:
  - 53 applications for new STRs
  - 94 STR license renewal applications
## Applications and Disciplinary Action

<table>
<thead>
<tr>
<th></th>
<th>Withdrawals</th>
<th>Closed Administratively</th>
<th>Denials</th>
</tr>
</thead>
<tbody>
<tr>
<td>New &amp; Renewal applications</td>
<td>265 (72 within the past year)</td>
<td>207 (127 within the past year)</td>
<td>63 (15 within the past year)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- 4 pending hearing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- 9 had hearing with denial upheld</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- 47 not appealed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Sent</th>
<th>Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affidavits</td>
<td>672 (274 within the past year)</td>
<td>300 (141 within the past year)</td>
</tr>
<tr>
<td>Licenses ‘Show Caused’</td>
<td>18 since April 2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 15 resulted in revocation or surrender</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 1 pending hearing</td>
<td></td>
</tr>
</tbody>
</table>
Lodger’s Tax Update
As of December 1, 2020

<table>
<thead>
<tr>
<th>Lodger’s Tax Accounts</th>
<th>STR Business Licenses (active)</th>
<th>Difference (Tax v. Active Business Licenses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,312</td>
<td>2,732</td>
<td>580</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017 Total</th>
<th>2018 Total</th>
<th>2019 Total</th>
<th>2020 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>$5.2 M</td>
</tr>
<tr>
<td>% of Lodger’s Tax collected</td>
<td>7.5%</td>
<td>10.1%</td>
<td>11.7%</td>
<td></td>
</tr>
</tbody>
</table>

- This amount does not include OPT or license fees.
- July collections are up about 140% when reviewed against the slow periods of either May or June in the STR lodging’s tax collections.
Current Events
What’s happening in the world of short-term rentals?

Platform Accountability, Airbnb’s IPO, Hotel STRs, and STRs in a post-COVID world

Platform Accountability in Denver: Denver City Council approved an ordinance adopting fines for booking service providers that process unlicensed transactions. Read more here.

Airbnb going public: Airbnb seeks valuation of up to $35 billion in its Initial Public Offering. Read more here.

Hotel chains in the short-term rental game: Marriott discusses the success of its Homes & Villa program. Read more here.

The future of short-term rentals: What will the world of short-term rentals look like after vaccinations are widely available?. Read one take here.
Policy Updates
Platform Accountability Ordinance

This ordinance will:

1. Define and regulate platforms that act as booking service providers for short-term rentals
2. Create penalties for booking service providers who process illegal transactions
3. Require licensees and booking service providers to keep certain records
4. Clarify existing practices for all licenses in Chapter 32

• Passed at City Council on Monday, November 23, 2020
• Will go into effect February 1, 2021
STRAC Vacancy
Goal Setting
STRAC 2020 Accomplishments

**Primary Residence**
- Updated the Primary Residence requirements in ordinance to provide more transparency
- Continued enforcement efforts against non-compliant hosts

**Platform Accountability**
- Adopted a new ordinance provision making it unlawful for platforms to process unlicensed transactions

**Supporting Compliant Hosts**
- Updated the complaint process to notify hosts when a complaint has been made against their short-term rental

**Education Efforts**
- Added new data points to the regular agendas to provide context for identifying problems and crafting solutions
- Educated members on ADU’s and their usage as short-term rentals
Denver Values

- Protect the fabric and character of Denver neighborhoods and the residents who live there
- Protect and support our largely compliant host community who open their homes to our visitors
- Ensure that Denver is keeping pace with the evolution of the industry and finding the right regulatory balance
2021 STRAC Meetings

- February 9
- April 13
- June 8
- August 10
- October 12
- December 14

- Meetings are scheduled on the 2\textsuperscript{nd} Tuesday of every other month
- All meetings will be held via Zoom
- Additional meetings can be added 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 Erica.Rogers@denvergov.org

Speakers are allotted two minutes.

Alternatively, you may email written comments at any time to licenses@denvergov.org and they will be shared with the committee electronically.