

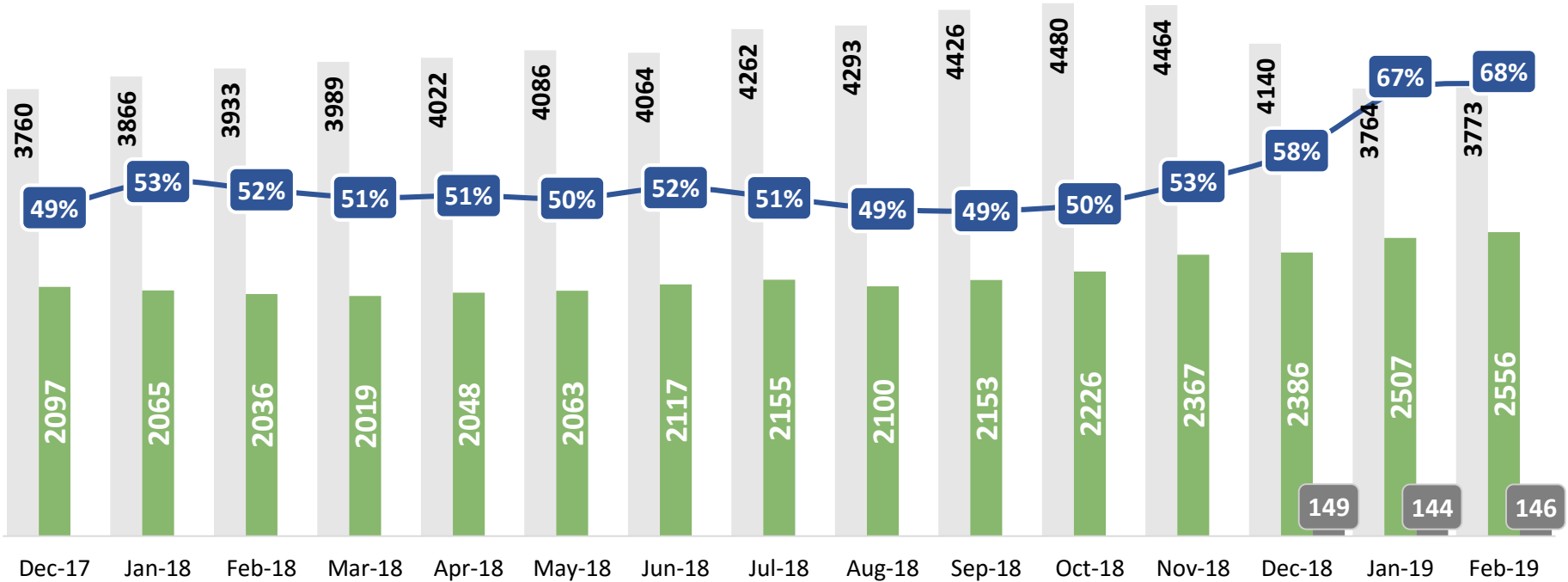


DENVER
THE MILE HIGH CITY

Denver STRAC Update

February 12, 2019

Excise and Licenses



■ # of Unique STR Properties
 ■ # of STR Licenses
 ■ # Unique STR Properties - No Activity 12 Months
 — % Licensing Rate

	Jan-19	Feb-19	MoM
# of Unique STR Properties - Active	3,764	3,773	0%
# Unique STR Properties - No Activity 12 Months	144	146	1%
# of STR Licenses	2,507	2,556	2%
% of Units Identified	83%	85%	2%
% Licensing Rate	67%	68%	2%



Lodger's Tax Update (as of 2/11/19)

Lodger's Tax Accounts	STR Business Licenses (active)	Pending Applications	Pending Renewals	Difference (Tax v. Active Business Licenses)
3,157 (as of 12/31/18)	2,556	120	133	601

	2017 Total	2018 Total
Lodger's Tax collected	\$3.5M	\$8.36M

- This amount does not include OPT or license fees.
- The 2018 amount of Lodger's Tax collected is 7.5% of total Lodger's Tax reported to the City in 2018.

Enforcement Tool	Violation	Volume	Outcome	Success Rate
Notice of Violation	Advertising without a license	1989 since 5/17/18	<ul style="list-style-type: none"> • 175 still in “cure date” • 660 removed advertisement • 1814 valid and past cure date - 377 still out of compliance 	80%
Administrative Citations-Level 1 (\$150)	Continuing to advertise without a license	434 since 6/9/18	<ul style="list-style-type: none"> • 227 paid • 412 have passed “cure date” • 340 into compliance 	78%
Administrative Citations-Level 2 (\$500)	Continuing to advertise without a license	85 since 6/9/18	<ul style="list-style-type: none"> • 15 remain out of compliance • 2 still in cure date • 70 into compliance 	80%
Investigation Reports	Complaint based	<p>63 since 5/17/18 (all primary resident investigations based on complaints)</p> <p>50+ primary residence complaints waiting to be investigated</p> <p>1 Show Cause hearing completed</p> <p>6 pending denials</p>	<ul style="list-style-type: none"> • 47 provided necessary primary residence documents • 6 cases accepted by CAO for a “Show Cause” • Recommended decision to revoke • No appeals submitted yet 	


Complaints-Volume	Type
2284 since 1/1/18	<ul style="list-style-type: none">• 746 application issues• 409 calls regarding a notice of violation received• 238 non-primary residence complaints• 91 general complaints• 84 calls regarding surrendering a license• 110 calls regarding an insufficient application



RULES GOVERNING SHORT TERM RENTAL LICENSES

Effective Date
4/10/19

Approved as to Form and Legality


Kristin M Bronson
City Attorney
City & County of Denver

Date: 1/25/19

Approved and Adopted


Ashley R Kilroy
Executive Director
Excise and Licenses

Date: 1/25/19

New STR Rules adopted January 25, 2019

- Effective April 10, 2019
- Requires affidavit of compliance with insurance requirements, including:
 - Notification to insurance company of STR use
 - Maintaining liability insurance to cover STR use in an amount no less than \$1M
 - Notification to HOA of STR use, if applicable
- Requires notification to the City of a change to the STR Local Responsible Party/General Manager within 30 days of the change
- Allows for a license to be denied, revoked, not renewed or suspended for ‘good cause’
 - Good cause = evidence the STR has been operated in a manner that adversely affects the public health, safety, or welfare of the immediate neighborhood OR evidence the licensee has violated or failed to comply with any of the terms of the license

Issue	Solution	Action Items	Status
Unlicensed Hosts	Education/Outreach to hosts	Revisions to Denvergov.org/STR and User Guides	Complete
		Emails to unlicensed hosts	In progress-Airbnb
		Workshops hosted by Airbnb	Complete
	Hold platforms accountable for unlicensed hosts	Work closely with host platforms to ensure no unlicensed hosts are advertising a listing (e.g., New York City, Los Angeles)	In progress
	Identify tax licensees w/o business licenses	Continuous data comparison of lodger's tax and business license data	Continuous
	Open data for all STR licenses	Online access to identify locations that are licensed (for neighbors and guests)	In progress
Issue	Solution	Action Items	Status
Improve Applications	Improve lodger's tax license application language & letter	Clarify that if STR, "business" is not required and still need a business license.	In progress
	Guidance on lodging license eligibility	Add FAQ on Denver website	Complete
	Guidance on current application requirements	Update all FAQ's on website	Complete
	Definition of "person" from zoning code*	License applicant name must match name on driver's license	Complete

Issue	Solution	Action Items	Status
Primary Residence Compliance	Require documents to be uploaded on application and renewal	Drivers license (match NAME of licensee) and 1 other document Owner approval Copy of lease	Complete
	Continue research other cities	Boston, Nashville, New Orleans, San Diego, San Francisco, Los Angeles, New York City, DC, etc.	Continuous
	Limitation on the number of days the entire unit can be rented/offered for rent or the length of stay	Would require an ordinance change	On hold
Issue	Solution	Action Items	Status
Bad Operators	Promulgate a rule to protect the health, safety, and welfare of the community	Rule adopted to clarify that a license can be denied or revoked if the STR is operated in a manner that adversely impacts the public health, safety and welfare of the immediate neighborhood	Complete
	Refer complaints to appropriate agency	When complaints about noise, trash, etc. are received, they will be referred to appropriate agency for enforcement	Complete
	Occupancy limits (absolute caps for STR guests or based on number of rooms)	Would require an ordinance change	On hold
	Create a complaint portal	Create an easily accessible method for neighbors, guests, etc. to file a complaint about a problematic location	Complete
	Enforce local responsible party/agent	Rule adopted that requires notification to the City within 30 days of a change to local responsible agent	Complete

Values



- Foster Innovation/New Business Models
- Enforceable Regulations
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Goals



- Identify platform requirements
- Define “place of normal return for housing”
- Continued education
- Address/License search online
- Property management compliance guideline
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**Next STRAC Meeting:
April 9, 2019**

**2019 Dates:
(2nd Tuesday of every other month)**

6/11/19

8/13/19

10/8/19

12/10/19