Denver Short Term Rental Advisory Committee

February 9, 2021

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
STRAC Updates
Committee Membership Changes

New committee member
• INC will be naming a new representative to STRAC

Committee Members with new roles
• Daniel Cohen
• David Pardo

Apply to be on STRAC
• Apply for the vacant non-host neighborhood advocate seat by February 26
Revisiting STRAC Guidelines
Licensing & Enforcement Updates
STR Licensure Data and Trends
(2016-2020)
311 Data and Trends in 2020

![Bar chart showing data trends for each month in 2020.

- Administrative Citation
- Application
- General Inquiries
- Notice of Violation
- Property Complaints

January: 110
February: 70
March: 56
April: 30
May: 47
June: 37
July: 45
August: 41
September: 116
October: 89
November: 171
December: 54

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311 Data and Trends

<table>
<thead>
<tr>
<th>Applications and Renewals</th>
<th>Administrative Citation or Notice of Violation</th>
<th>Inquiries &amp; Questions</th>
<th>Property Complaints</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>242</td>
<td>7</td>
<td>54</td>
<td>8</td>
</tr>
<tr>
<td>2020</td>
<td>713</td>
<td>295</td>
<td>575</td>
<td>297</td>
</tr>
<tr>
<td>2019</td>
<td>943</td>
<td>862</td>
<td>541</td>
<td>426</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>73</td>
</tr>
</tbody>
</table>
311 Data and Trends

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>3,126</td>
<td>1,887</td>
<td>↓ 40%</td>
</tr>
</tbody>
</table>
# Applications and Disciplinary Action

<table>
<thead>
<tr>
<th></th>
<th>Withdrawals</th>
<th>Closed Administratively</th>
<th>Calendar Records Requested</th>
</tr>
</thead>
</table>
| New & Renewal applications | 16 since last STRAC  
71 within the past year  
281 total               | 7 since last STRAC  
102 within the past year  
214 total               | 103 Since August 2020       |

<table>
<thead>
<tr>
<th></th>
<th>Sent</th>
<th>Returned</th>
</tr>
</thead>
</table>
| Affidavits       | 20 since last STRAC  
217 within the past year  
692 total         | 12 since last STRAC (60%)  
113 within the past year (52%)  
312 total (45%)    |

| Licenses ‘Show Caused’ | 18 since April 2018 (6 within the past year)  
- 17 resulted in revocation or surrender  
- Zero outstanding orders to show cause |

Since August 2020, 312 total licenses have been issued.
New Application Data and Trends

MONTH

Renewal Application Data and Trends
## Lodger’s Tax Update

<table>
<thead>
<tr>
<th></th>
<th>2017 Total</th>
<th>2018 Total</th>
<th>2019 Total</th>
<th>2020 Total</th>
<th>2021 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>$ 5.6 M</td>
<td>$ 432,991.36</td>
</tr>
<tr>
<td>% of Lodger’s Tax</td>
<td>7.5 %</td>
<td>10.1 %</td>
<td>11.9 %</td>
<td>16.4 %</td>
<td></td>
</tr>
</tbody>
</table>

## Lodgers Tax Accounts and STR Business Licenses

<table>
<thead>
<tr>
<th>Lodger’s Tax Accounts (as of 2/8)</th>
<th>Active STR Business Licenses (as of 2/1)</th>
<th>Difference (Tax v. Active Business Licenses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,389</td>
<td>1,930</td>
<td>1,459</td>
</tr>
</tbody>
</table>
Current Events
What’s happening in the world of short-term rentals?

Citywide regulation in Atlanta, statewide regulation in Arizona, and nationwide regulation in Scotland

**Denver:** Council Bill 20-1229 went into effect on February 1, imposing liability for booking service providers that processes transactions for unlicensed STRs and updating record keeping requirements. Read more here.

**Atlanta:** Atlanta City Council will consider two competing bills to regulate short-term rentals – one that would ban STRs outright and one that would enact licensing and tax requirements. Read more here and here.

**Arizona:** The Arizona Legislature is considering a bill that would regulate short-term rentals on a statewide basis. The bill would allow localities to assess fines and would allow the state to revoke licenses. Read more here.

**Scotland:** A Scottish Parliament committee has voted to advance a system for licensing short-term rentals, despite previous discussions about delaying the decision until 2022. Read more here and here.
Policy Updates
Platform Accountability Ordinance

This ordinance:

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

Reminder
CB20-1229 went into effect on February 1, 2021
Implementation of CB20-1229

What is the city doing?

What are booking service providers doing?

What should hosts be doing?
Goal Setting
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 Guiding Questions

How will the 2020 ordinance updates influence STR licensure trends?
- In March 2020, City Council strengthened and clarified the primary residence requirements
- In November 2020, City Council adopted measures to increase platform accountability for preventing illegal transactions

How have STRs impacted other modes of accommodation?
- Traditional lodging models (hotels and B&Bs)
- Long-term rentals
- Alternative lodging models (Sonder, Daydream, Type 2 proposals, etc.)

How can we support the evolution of STRs from new license to established license?
- Monitoring effect on housing stock, affordability, and neighborhood trends
- Standardizing enforcement of zoning and building requirements
- Ensuring accessibility of short-term rental units
2021 Goals

How will the 2020 ordinance updates influence STR licensure trends?
- Continue to measure licensure rates
- Continue to measure trends in primary residence enforcement
- Measure booking service provider compliance and violation frequency
- Continue reporting of tax collection and revenue trends

How have STRs impacted other modes of accommodation?
- Explore the features of other accommodations license types
- Evaluate pros and cons of modifying the landscape of licensing options for rentals and accommodations in Denver

How can we support the evolution of STRs from new license to established license?
- Explore avenues to measure effects of short-term rentals on housing stability indicators
- Explore avenues to measure compliance with zoning and building requirements
- Explore avenues to measure ADA compliance within short-term rental units
2021 STRAC Meetings

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

- Meetings are scheduled on the 2nd 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 to speak.

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