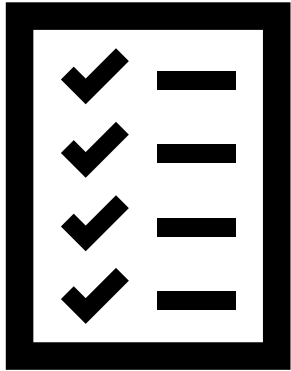


Denver Short Term Rental Advisory Committee June 11, 2019

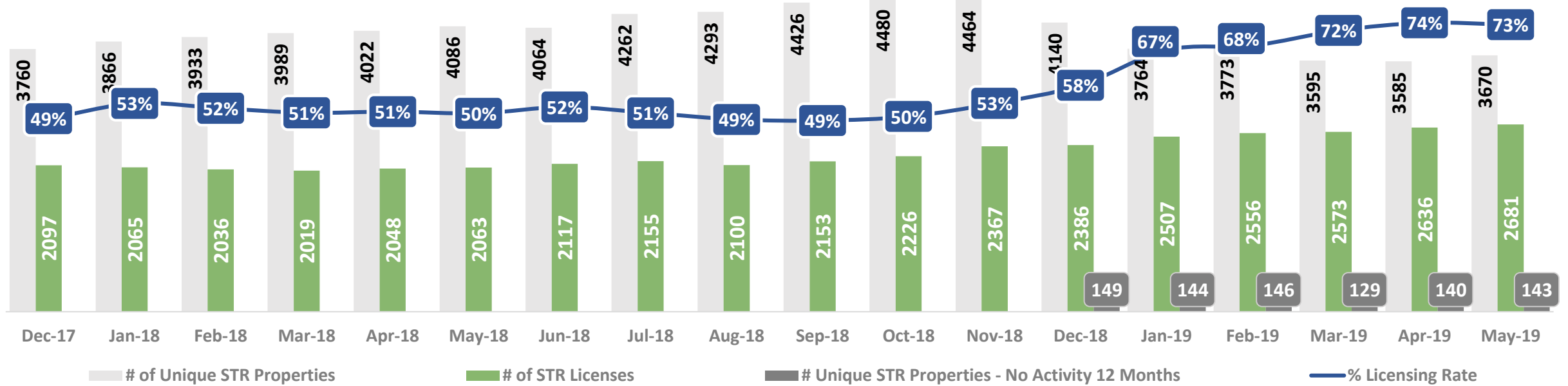
Excise and Licenses

Old Business



1. EXL Staffing update
2. New STR Record update
3. STR Education update
4. Airbnb update

STR Compliance/Trends



	Apr-19	May-19	MoM
# of Unique STR Properties - Active	3,585	3,670	2%
# Unique STR Properties - No Activity 12 Months	140	143	2%
# of STR Licenses	2,636	2,681	2%
% of Units Identified	86%	81%	-6%
% Licensing Rate	74%	73%	-1%

Lodger's Tax Update (as of 6/10/19)

Lodger's Tax Accounts	STR Business Licenses (active)	Pending Applications	Pending Renewals	Difference (Tax v. Active Business Licenses)
3,433 (as of 6/10/19)	2,681	235	171	346 (down from 601 in April)

	2017 Total	2018 Total	2019 YTD
Lodger's Tax collected	\$3.5M	\$8.36M	\$4.9M
% of Lodger's Tax collected		7.5%	15%

- This amount does not include OPT or license fees.

STR Enforcement

Enforcement Tool	Violation	Volume	Outcome
Notice of Violation	Advertising without a license	2258 since 5/17/18	<ul style="list-style-type: none"> • 931 removed advertisement • All past cure date – 294 Remain out of compliance (91 are from the 05/16/19 mailing)
Administrative Citations-Level 1 (\$150)	Continuing to advertise without a license	769 since 6/9/18	<ul style="list-style-type: none"> • 422 paid • 642 into compliance
Administrative Citations-Level 2 (\$500)	Continuing to advertise without a license	170 since 6/9/18	<ul style="list-style-type: none"> • 29 paid • 61 remain out of compliance • 109 into compliance
Application Review	Questionable upon review of application submittal	108 New or Renewal applications since December	<ul style="list-style-type: none"> • 21 provided necessary primary residence documents and were issued • 53 were withdrawn when further documents requested or sent to CAO for formal denial • 33 waiting on investigation or denial report
Investigation Reports	Complaint based	1 Show Cause hearing completed 4 completed reports to CAO	<ul style="list-style-type: none"> • License was revoked • 24 to be completed/investigated

STR Complaints

Complaints-Volume

Type

3,894 since 1/1/18

- 1,008 application issues (online issues, status check)
- 1,270 calls regarding a notice of violation
- 368 non-primary residence complaints
- 140 general complaints
- 106 calls regarding surrendering a license
- 225 calls regarding an insufficient application

STR Current Events (5.16.19)

- New Orleans: adopted new laws in January making it illegal to convert “whole home” investment properties into STRs in residential zones.
 - City Council approved first part of a revised STR ordinance-yet to be formally adopted:
 - Limits residential STRs to owner-occupied properties with a homestead exemption, meaning the owner **lives there most of the year**.
 - If the property has more than one unit, the owner would be allowed to rent out the extra units (up to 3).
 - Added a “commercial” license type with different levels, requirements and fees (e.g., commercial STRs with more than 10 units must have an on-site operator at all times during guest stays).
 - Platform Accountability, including business licensing requirements for platforms-”No Platform shall facilitate or conduct any Booking Transaction for a Short-Term Rental...”
 - [5/16/19: Overhaul of short-term rental regulations in New Orleans approved](#)
- Glenwood Springs:
 - 5/15/19: [Glenwood City Council to weigh proposed new vacation rental rules](#)
 - New rules include:
 - Increased application fees (\$300)
 - Required building inspection
 - Reducing percentage of units in a single-owner, multifamily building from 25% to 10%
 - Capping STRS at 10% of overall housing stock
- Nashville:
 - Airbnb Friendly Buildings Program: Niido apartment complex in Nashville is a “Airbnb-Friendly apartment” that allows a tenant to rent their space up to 180 nights a year.
 - For a 25% fee to the property management company/Airbnb, the tenant can utilize the full-time hospitality staff and a MasterHost to help the host and the guests.
 - Mixes commercial and residential uses.
 - 6/2/19: [Niido Nashville...maybe the newest frat house for working adults](#)

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

Proposed Primary Residence Definition

(emphasis added for purposes of discussion)

"Primary Residence" means that place in which a person's habitation is fixed and to which a person, whenever he or she is absent, has the present intention of returning after a departure or absence therefrom, regardless of the duration of absence, and is currently using the residence for domestic purposes, including but not limited to slumber, preparation of meals, vehicle and voter registration, federal and state tax return filings, and utility billings. For purposes of this Chapter, a person shall have only one primary residence.

However, if (1) the person owns another dwelling unit that is not being rented long term; (2) the person's spouse or domestic partner has a different primary residence; (3) the person's driver's license, voter registration or any dependent's school registration shows a different residence address, or (4) the Denver County Assessor lists a mailing address different from the address applied for; or (5) the Applicant is not physically present using the home as a residence for at least 183 days per year, it shall be presumed that the dwelling unit in question is not a principal residence.

Next STRAC meeting: Meeting frequency?

2019 Dates:

(2nd Tuesday of every other month)

8/13/19

10/8/19

12/10/19