

Denver Short Term Rental Advisory Committee

October 8, 2019

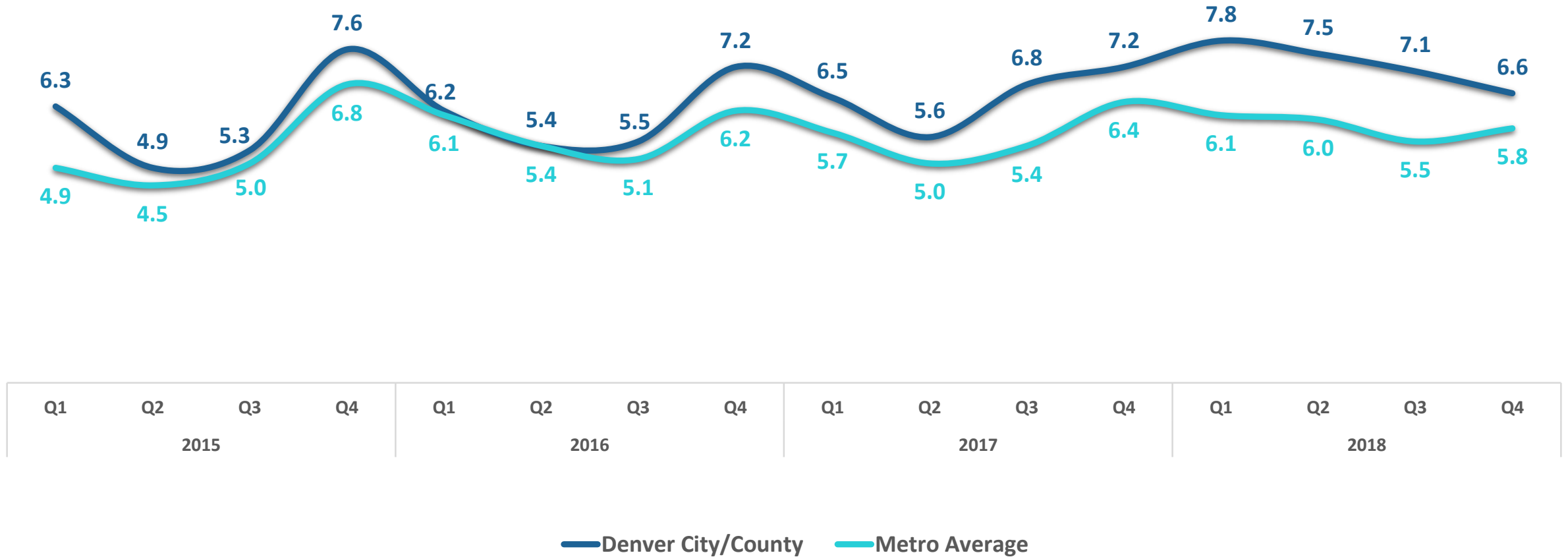
Excise and Licenses

Old Business

- Airbnb Updates
- Previous data requests
 1. Housing vacancy rates
 2. Administrative citation collection rate
 3. Litigation costs in other cities
 4. Inside Airbnb data



Vacancy Rates Denver City /County vs Metro Average



Citation Collections

Administrative citation #1 (\$150) – 937 issued*

532 collected

175 dismissed

278 not paid, not dismissed

69% collection rate

Administrative citation #2 (\$500) – 206 issued*

45 collected

57 dismissed

104 not paid, not dismissed

30% collection rate

Administrative citation #3 (\$999) – 6 issued*

1 collected

5 dismissed

100% collection rate

1149 total citations issued*

58% total collection rate

(not including dismissed citations)

85% success rate

(981 out of 1149 resulted in compliance)

*issued to the correct recipient at the correct address

Litigation Costs

Airbnb v. Miami Beach

Miami Beach Ordinance No. 2019-4245 went into effect February 13, 2019. The ordinance:

- Required platforms with Miami Beach listings to display the property owner's city-issued business tax receipt number and resort tax registration number
- Required Airbnb to verify the tax receipt and registration numbers

Airbnb sued Miami Beach, but the parties settled.

- Airbnb will create a way for Miami Beach owners to input and display the numbers with their listings
- Airbnb will not be required to verify whether the properties are properly registered

As part of the settlement, Airbnb will pay Miami Beach **\$380,000**, though the parties tell different stories regarding how the money will be used:

- Airbnb has said that the money is “to educate residents about its home-sharing and short-term rental rules.”
- Miami Beach Mayor Dan Gelber states that it will be used to pay attorney’s fees for the “frivolous lawsuit.”

Inside Airbnb

40% have multi-listings

\$155 average price per night

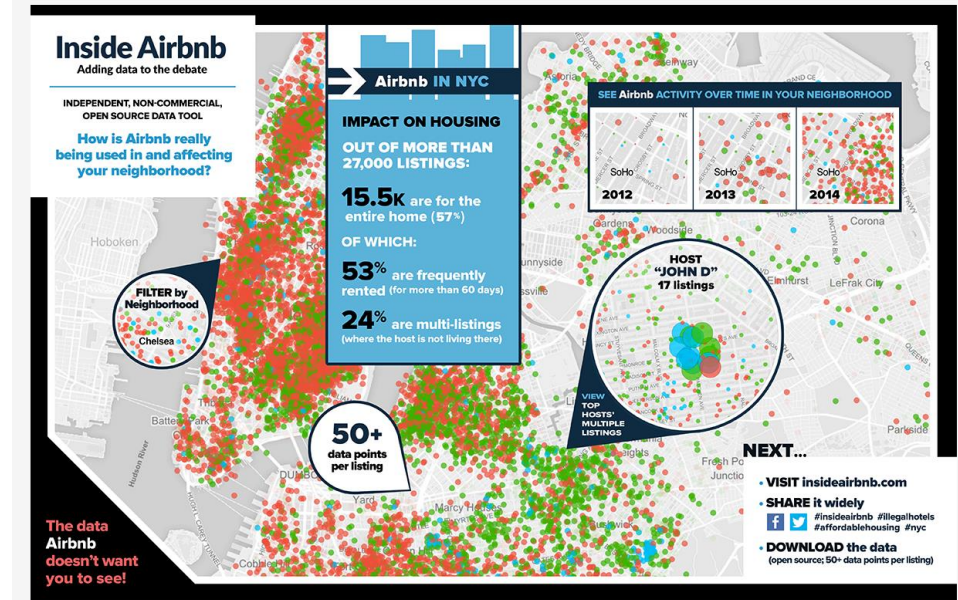
74% are entire homes/ apts

\$1747 estimated income/month

67% have high availability

147 estimated nights per year

About Inside Airbnb



Inside Airbnb is an independent, non-commercial set of tools and data that allows users to explore how Airbnb is being used in cities around the world.

<http://insideairbnb.com/denver/>

STRAC Meeting Standards

Current standards

- Mission, purpose and role
 - The Short-Term Rental Advisory Committee (STRAC) meets regularly to provide guidance and recommendations to Excise and Licenses policies pertaining to the STR licensing program. Members of the STRAC consist of short-term rental hosts, non-hosts, industry stakeholders, neighborhood representatives, and Denver elected officials.
- Minimum of 6 meetings held annually
- Allow for public input

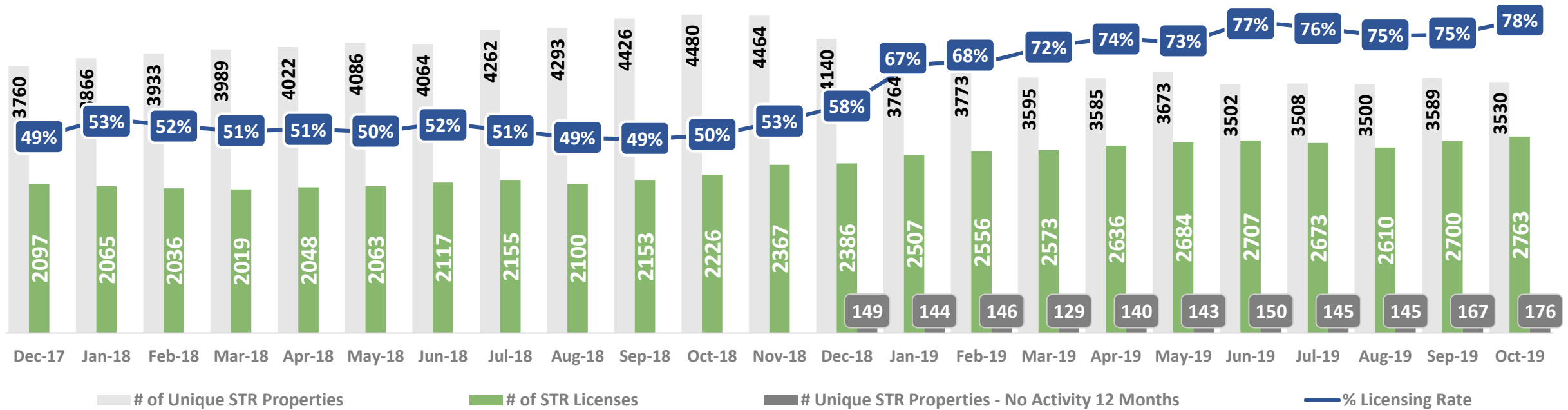
Possible new standards?

- Rules and guidelines for public comment?
 - Must provide name, whether a Denver resident, and summary of testimony
- Establish membership requirements
 - Minimum and maximum size of committee
 - Terms of service for members
 - No compensation received for serving
 - Attendance Requirements
 - Member composition

Licensing & Enforcement Updates



STR Compliance/Trends



	Oct-18	Sep-19	Oct-19	MoM	YoY
# of Unique STR Properties - Active	4,480	3,589	3,530	-2%	-21%
# Unique STR Properties - No Activity 12 Months	-	167	176	5%	-
# of STR Licenses	2,226	2,700	2,763	2%	24%
% of Units Identified	69%	93%	80%	-14%	15%
% Licensing Rate	50%	75%	78%	4%	58%

STR Calls to 311

CALL TYPE	2018	2019	Change	Totals over time
Complaint	92	75	↓	167
General Inquiry	177	136	↓	313
How do I apply?	156	186	↑	342
Insufficient Application	110	166	↑	276
Notice of Violation	635	796	↑	1431
Online Issues	409	295	↓	704
Primary Residence	238	346	↑	584
Status of Application	126	407	↑	533
Surrender	84	52	↓	136
Total Calls	2027	2459		4486

Current Events



- Santa Monica
 - Following a challenge to the court being rejected in March, the 9th Circuit has again upheld the Santa Monica STR ordinance by rejecting a potential class-action lawsuit against the city.
 - A district court judge had dismissed the lawsuit, prompting an appeal that then reached the 9th Circuit where it was rejected without a trial.
 - [Federal appeals court upholds Santa Monica's ban on short-term vacation rentals](#)
- Los Angeles
 - LA passed a new law in December limiting STRs to primary residences and placing other data-sharing requirements on hosting platforms, with an effective enforcement date of November 1st.
 - Airbnb sent a letter to the City of LA on October 1st asking for more time to build a computerized system to share rental information with the city.
 - The City has responded that they “will be prepared to enforce the ordinance on November 1st”.
 - [Airbnb wants LA to delay enforcing new restrictions on short-term rentals](#)
- Nationally
 - “According to a new national survey, Americans overwhelmingly support amending federal law to remove loopholes used by short-term rental sites to avoid having to comply with local laws enacted by cities and other localities across the country.”
 - The survey, conducted by Morning Consult in August 2019, showed that Americans strongly believe STR companies should be held accountable for policing illegal activity on their websites and that the Communications Decency Act should be amended.
 - [Survey: Americans support reforming federal law to rein in short-term rentals](#)
 - [Morning Consult STR survey results](#)

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

Policy Recommendations

Phase 1

Update current language

Primary Residence

Fees

Update definition and standards for issuance

List factors that may be considered to determine PR

Initial application fee \$50

Annual license fee \$100

Phase 2

Add new language

Property Management Requirements

Platform Accountability Provisions

Research best practices and legal parameters

Draft provisions that protect guests, hosts, and neighbors

Research cost of litigation and legal arguments

Work with other cities to draft effective language

Timeline

Q4 2019

Phase 1
Ordinance
Drafting

Phase 1
City Council
Process

Q1 2020

Platform
Accountability
Research

Property
Management
Research

Q2 2020

Phase 2
Ordinance
Drafting

Phase 2
City Council
Process



Phase 1

- Primary Residence
- License Fees

Phase 2

- Platform Accountability Provisions
- Property Management Requirements

Public Comment



Next STRAC meeting:
Tuesday, December 10, 2019

2020 Meetings
2nd Tuesday of every other month
(beginning 1/14/20)