Denver Short Term Rental Advisory Committee

October 13, 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

- # Unique Properties: 3,403
- # Active STR Licenses: 2,575
- % Licensing Rate: 75.7%
- STR Compliance Trends
311 STR Data and Trends

Applications and Renewals | Administrative Citation or Notice of Violation | Inquiries & Questions | Property Complaints | Other
--- | --- | --- | --- | ---
2020 | 336 | 204 | 431 | 249 | 7
2019 | 943 | 862 | 541 | 426 | 73
311 Data and Trends

<table>
<thead>
<tr>
<th>Month</th>
<th>Administrative Citation or Notice of Violation</th>
<th>Applications &amp; Renewals</th>
<th>Inquiries &amp; Questions</th>
<th>Property Complaints</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>43</td>
<td>37</td>
<td>39</td>
<td>7</td>
<td>23</td>
</tr>
<tr>
<td>February</td>
<td>70</td>
<td>16</td>
<td>23</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>March</td>
<td>36</td>
<td>30</td>
<td>56</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>April</td>
<td>31</td>
<td>38</td>
<td>25</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>May</td>
<td>46</td>
<td>37</td>
<td>18</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>June</td>
<td>45</td>
<td>36</td>
<td>26</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>41</td>
<td>24</td>
<td>34</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>August</td>
<td>39</td>
<td>29</td>
<td>44</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>September</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Administrative Citation or Notice of Violation
Applications & Renewals
Inquiries & Questions
Property Complaints
Other
311 STR Data and Trends

2019

- Applications & Renewals: 33%
- Inquiries & Questions: 19%
- Property Complaints: 15%
- Other: 3%
- Administrative Citation or Notice of Violation: 30%

2019 YTD

- Applications & Renewals: 27%
- Property Complaints: 19%
- Inquiries & Questions: 37%
- Other: 1%
- Administrative Citation or Notice of Violation: 16%
STR Application Data

Pending Applications

As of October 12, we had 192 total pending applications
- 57 pending applications are awaiting applicant action
- 99 pending applications are under review by EXL
- 36 pending applications are under review by another city agency

New Applications

We received 143 total applications during the month of April:
- 43 applications for new STRs
- 100 STR license renewal applications
We received 153 total applications during the month of June:
- 8 applications for new STRs
- 18 STR license renewal 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
### 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>106</td>
<td>144</td>
<td>60 total (27 in past year)</td>
</tr>
<tr>
<td>(in last 12 months)</td>
<td></td>
<td></td>
<td>- 2 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>- 45 not appealed</td>
</tr>
<tr>
<td>Pending hearing</td>
<td></td>
<td></td>
<td>2 pending hearing</td>
</tr>
<tr>
<td>Had hearing with denial upheld</td>
<td></td>
<td></td>
<td>9 had hearing with denial upheld</td>
</tr>
<tr>
<td>Not appealed</td>
<td></td>
<td></td>
<td>45 not appealed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Sent</th>
<th>Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affidavits (in last 12 months)</td>
<td>386</td>
<td>195</td>
</tr>
</tbody>
</table>

**Licenses ‘Show Caused’**

- 18 since April 2018
- 15 resulted in revocation or surrender
Lodger’s Tax Update
As of October 9, 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>3,307</td>
<td>2,205</td>
<td>2,174</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>$ 4.1 M</td>
</tr>
<tr>
<td>% of Lodger’s Tax collected</td>
<td>7.5%</td>
<td>10.1%</td>
<td>11.1%</td>
<td></td>
</tr>
</tbody>
</table>

- This amount does not include OPT or license fees.
Current Events
What’s happening in the world of short-term rentals?

Pandemic positives, haunted house parties, platform portals, and evolving regulations

**Short-term rentals outperforming hotels:** While both are struggling due to the pandemic, industry reports show that STRs are seeing more success than hotels. Read more [here](#), [here](#), and [here](#).

**Halloween House Parties:** To combat the negative effects of house parties at short-term rentals and large gatherings during the pandemic, Airbnb is limiting Halloween stays. Read more [here](#).

**Airbnb’s City Portal:** Airbnb announced a new pilot to grant a handful of U.S. cities access to certain local listing information. Read more [here](#) and [here](#).

**Accountability in Ireland:** With a “one host, one home” rule in place, some members of Parliament favor regulation of platforms over enforcement efforts focused solely on hosts. Read more [here](#).
Policy Updates
Platform Accountability
# Platform Accountability in other Cities

<table>
<thead>
<tr>
<th>City</th>
<th>Platform accountability in ordinance?</th>
<th>Sued by a platform?</th>
<th>Agreement/Settlement?</th>
<th>Penalty for non-compliant platform?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston, MA</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$100</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>X</td>
<td></td>
<td></td>
<td>$1,500 - $3,000</td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>X</td>
<td></td>
<td></td>
<td>$125</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$1,000</td>
</tr>
<tr>
<td>Miami Beach, FL</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$1,000 - $5,000</td>
</tr>
<tr>
<td>New Orleans, LA</td>
<td>X</td>
<td></td>
<td></td>
<td>At least $500</td>
</tr>
<tr>
<td>New York, NY</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portland, OR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Santa Monica, CA</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$750 - $1,000</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>X</td>
<td></td>
<td></td>
<td>$500 - $1,000</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>X</td>
<td></td>
<td></td>
<td>$1,000</td>
</tr>
</tbody>
</table>
Ordinance Proposal

This ordinance would:

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
In order to regulate platforms that process short-term rental transactions, we must define the entities that qualify.

Booking service provider would be defined to mean:

“any person or entity who facilitates a transaction between a prospective guest and a person or entity offering a short-term rental”
Proposed Penalties for Processing Illegal Transactions

The ordinance would make it **unlawful** for

“any booking service provider to receive payment, directly or indirectly, for an unlicensed short-term rental located in the City and County of Denver.”

Any booking service provider who processes an illegal transaction would be subject to a **civil penalty** of

1,000.00 per violation per day
Proposed Record-Keeping Requirements

Short-term rental licensees would be required to keep the following records for one (1) year:
• The total number of nights the STR was rented
• The dates during which the STR was rented

Booking service providers would be required to keep the following records for five (5) years:
• The person who offered the STR
• The address of the STR
• The STR license number
• The dates the STR was booked
• The price paid for each STR transaction

Failure to maintain the required records could result in a penalty.
Other Proposed Changes

While updating the STR ordinance, we would also like to clarify existing practices in Chapter 32, which apply to all licenses.

These clarifications include:
- Standard procedures for hearing officers who provide recommended decisions in departmental hearings
- Standard procedures for issuing subpoenas

These clarifications to the hearing process increase transparency for all licensees and do not alter existing practices.
So what does all of this mean?

• All platforms that process transactions for short-term rental stays in Denver would be regulated.
  ➢ The ordinance lays out the responsibilities each platform must comply with, but it does not prescribe the methodology for compliance.

• To assist with investigations, hosts and platforms will be required to keep certain records.
  ➢ Many hosts and platforms currently keep these records as a standard practice.

• Allows Denver to keep pace with the evolution of the industry and continuously improve the regulatory framework.
  ➢ By regulating platforms, the responsibility for compliance is shared more evenly among the industry participants, rather than only being placed exclusively on our hosts.
What is the ordinance process?

Present policy to Mayor’s Policy Review Committee on September 25

Present DRAFT language at STRAC meeting on October 13*

Present finalized language to BIZ Committee on November 4*

If passed out of committee, voted on by full City Council*

*Open meetings with time allotted for Public Comment
# Goal Planning

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Features</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td>• Expanded Licensing and 311 Data&lt;br&gt;• CPD Presentation: Accessory Dwelling Units</td>
<td>• Add new data points to the regular agendas to provide context for identifying problems and crafting solutions&lt;br&gt;• Educate committee members on the different property configurations that allow for short-term rentals</td>
</tr>
<tr>
<td>October</td>
<td>• Platform Accountability Legislation</td>
<td>• Review DRAFT ordinance language to regulate booking platforms</td>
</tr>
<tr>
<td>December</td>
<td>• EXL Presentation: Other Lodging License Types</td>
<td>• Educate committee members on the differences and similarities of lodging licenses and short-term rental licenses in Denver and other jurisdictions</td>
</tr>
</tbody>
</table>
Our final meeting in 2020 will be held virtually on Zoom on Tuesday, December 8.

Any updates will be announced through the Denver short-term rental bulletin. If you’re not already receiving the bulletin, you can sign up to receive it [here](#).
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.