

# 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

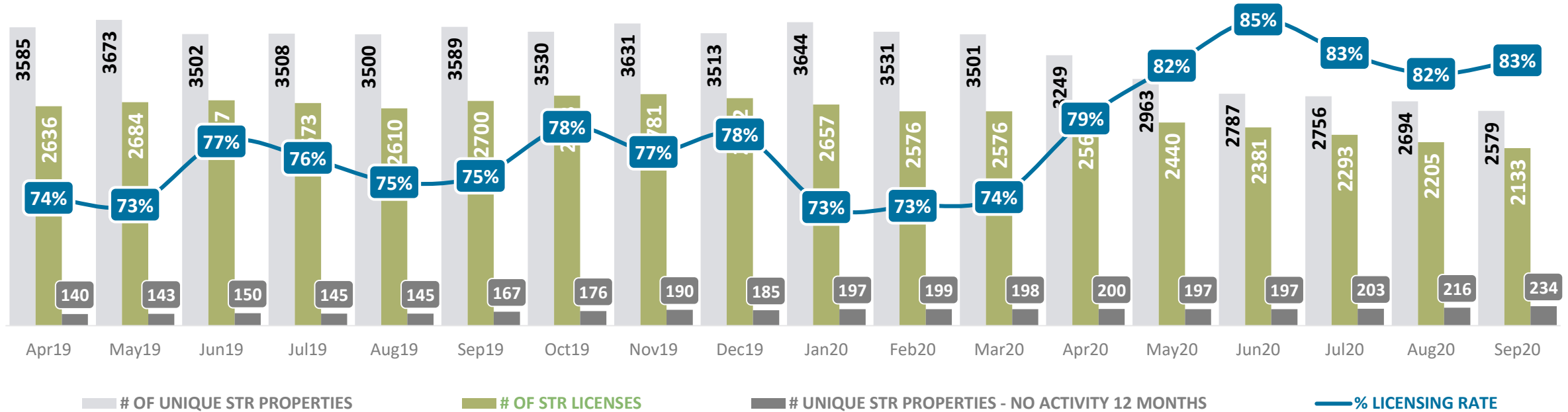
[Erica.Rogers@denvergov.org](mailto:Erica.Rogers@denvergov.org)



# Licensing & Enforcement Updates

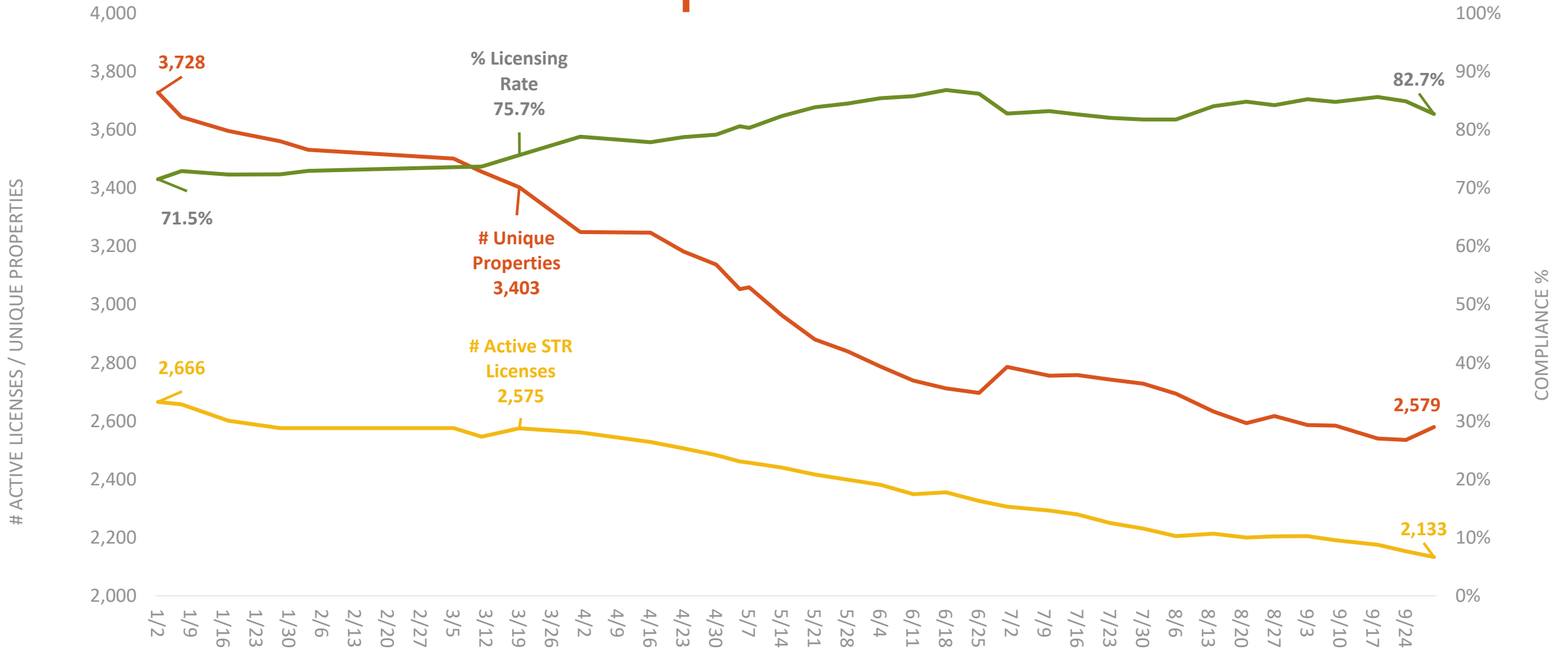


# STR Compliance Trends

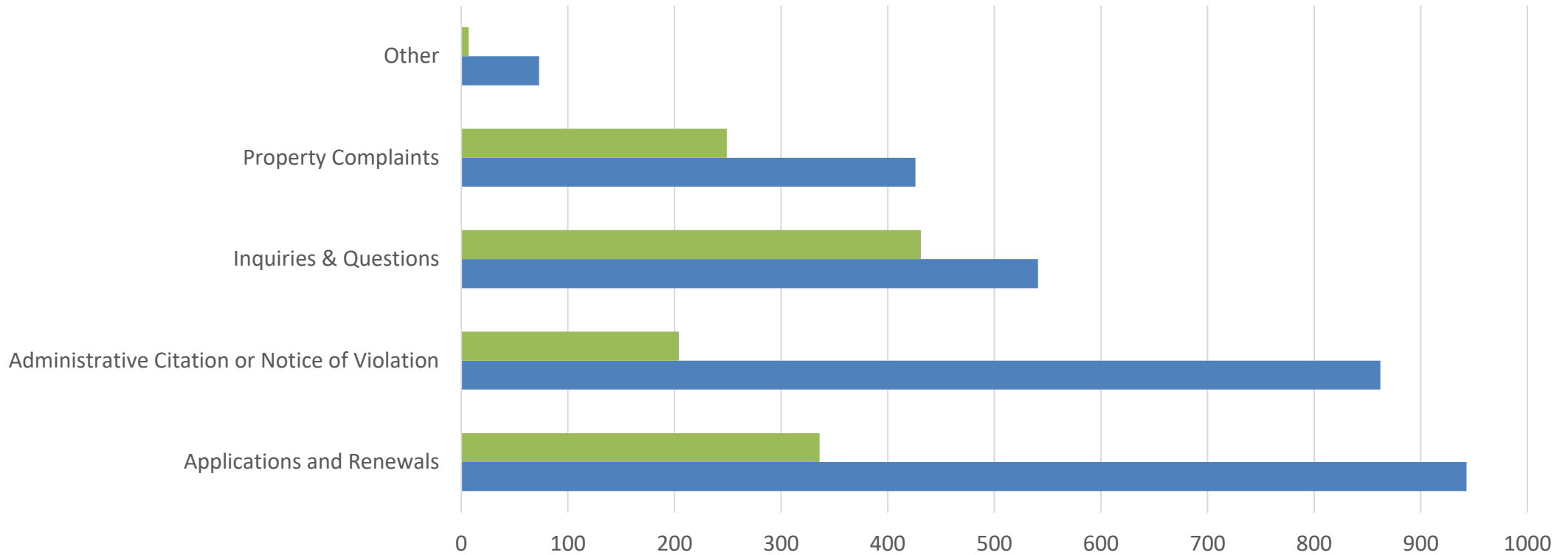


	Sep19	Aug20	Sep20	MoM	YoY
# of Unique STR Properties - Active	3,589	2,694	2,579	-4%	-28%
# Unique STR Properties - No Activity 12 Months	167	216	234	8%	40%
# of STR Licenses	2,700	2,205	2,133	-3%	-21%
% of Units Identified	81%	87%	84%	-3%	4%
% Licensing Rate	75%	82%	83%	1%	10%

# STR Compliance Trends

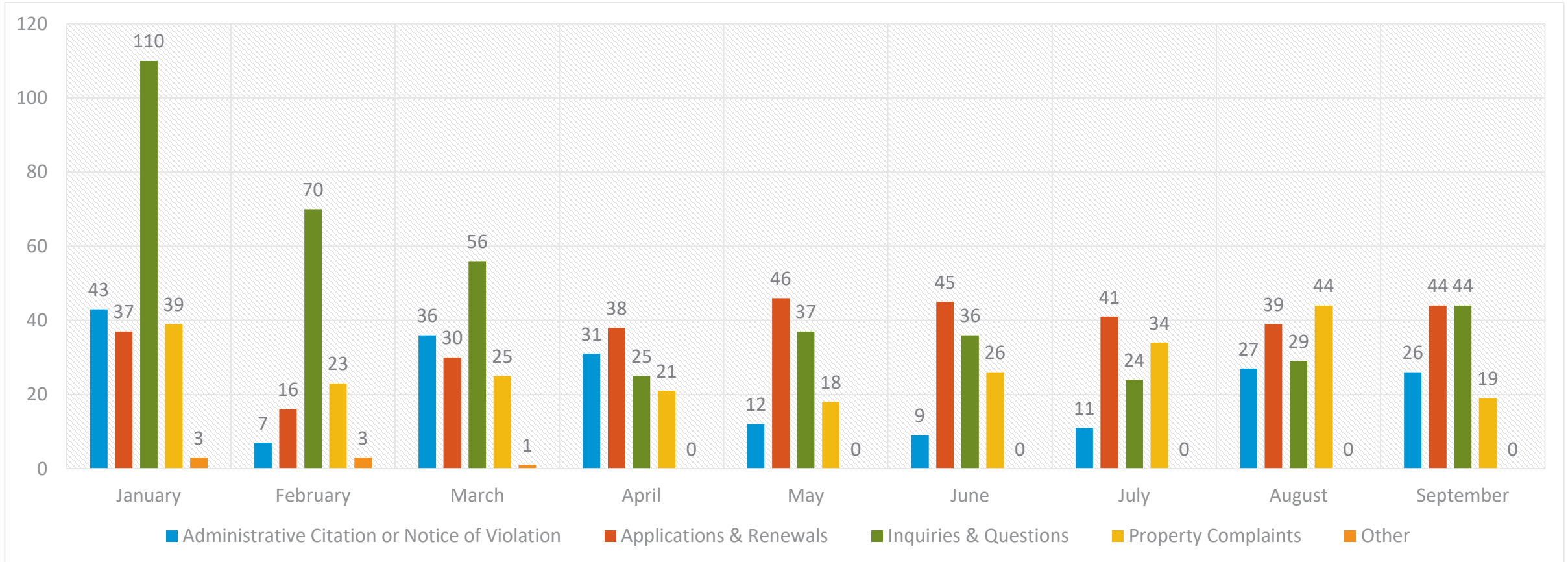


# 311 STR Data and Trends

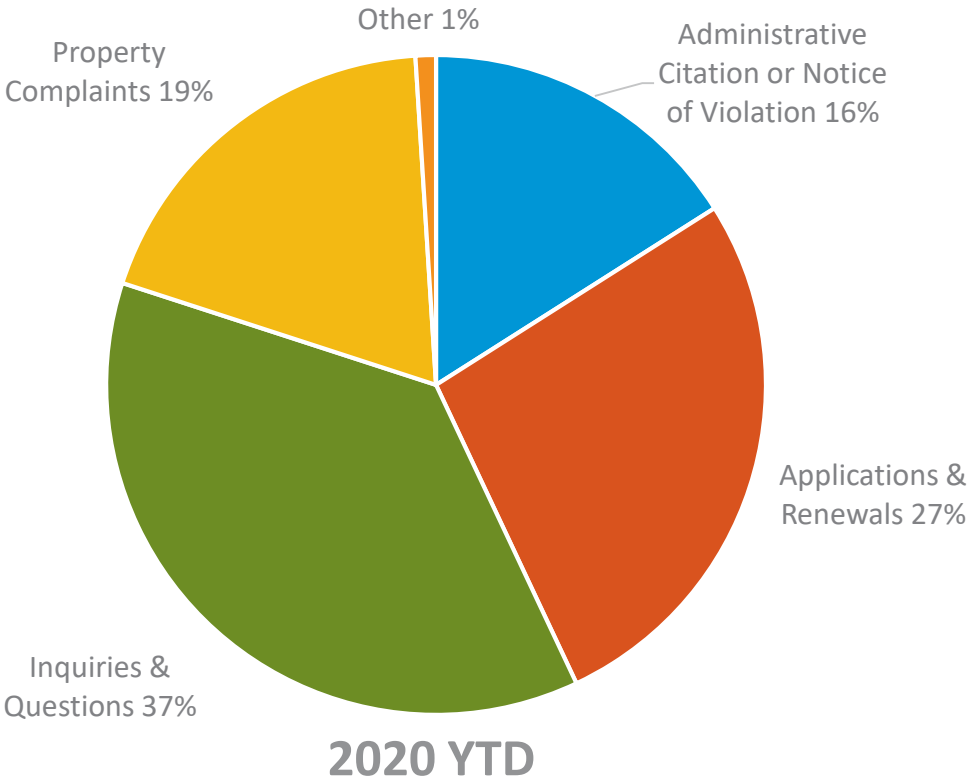
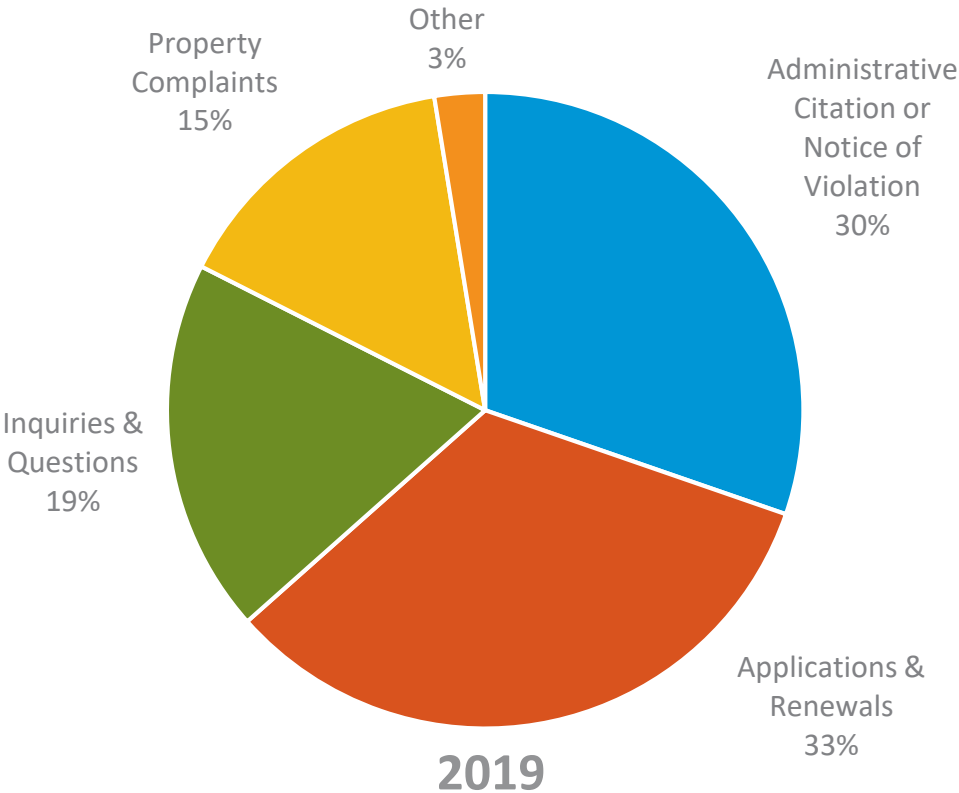


	Applications and Renewals	Administrative Citation or Notice of Violation	Inquiries & Questions	Property Complaints	Other
■ 2020	336	204	431	249	7
■ 2019	943	862	541	426	73

# 311 Data and Trends



# 311 STR Data and Trends





# 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

	Withdrawals	Closed Administratively	Denials
New & Renewal applications (in last 12 months)	106	144	60 total (27 in past year) <ul style="list-style-type: none"> <li>- 2 pending hearing</li> <li>- 9 had hearing with denial upheld</li> <li>- 45 not appealed</li> </ul>
	Sent	Returned	
Affidavits (in last 12 months)	386	195	
<b>Licenses 'Show Caused'</b>	<b>18 since April 2018</b> <ul style="list-style-type: none"> <li>- 15 resulted in revocation or surrender</li> </ul>		

# Lodger's Tax Update

As of October 9, 2020

Lodger's Tax Accounts	STR Business Licenses (active)	Difference (Tax v. Active Business Licenses)
3,307	2,205	2,174

	2017 Total	2018 Total	2019 Total	2020 YTD
Lodger's Tax collected	\$ 3.5M	\$ 8.36M	\$ 10.6 M	\$ 4.1 M
% of Lodger's Tax collected		7.5%	10.1%	11.1%

- 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

City	Platform accountability in ordinance?	Sued by a platform?	Agreement/Settlement?	Penalty for non-compliant platform?
<a href="#">Boston, MA</a>	X	X	X	\$100
<a href="#">Chicago, IL</a>	X			\$1,500 - \$3,000
<a href="#">Louisville, KY</a>	X			\$125
<a href="#">Los Angeles, CA</a>	X	X	X	\$1,000
<a href="#">Miami Beach, FL</a>	X	X	X	\$1,000 - \$5,000
<a href="#">New Orleans, LA</a>	X			At least \$500
New York, NY	X	X	X	
<a href="#">Portland, OR</a>			X	
<a href="#">San Francisco, CA</a>	X	X	X	
<a href="#">Santa Monica, CA</a>	X	X	X	\$750 - \$1,000
<a href="#">Seattle, WA</a>	X			\$500 - \$,1000
<a href="#">Washington, DC</a>	X			\$1,000



# 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

# Proposed Definition of “Booking Service Providers”

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?



\*Open meetings with time allotted for Public Comment

# Goal Planning

Meeting	Features	Goals
August	<ul style="list-style-type: none"><li>Expanded Licensing and 311 Data</li><li><u>CPD Presentation:</u> Accessory Dwelling Units</li></ul>	<ul style="list-style-type: none"><li>Add new data points to the regular agendas to provide context for identifying problems and crafting solutions</li><li>Educate committee members on the different property configurations that allow for short-term rentals</li></ul>
October	<ul style="list-style-type: none"><li>Platform Accountability Legislation</li></ul>	<ul style="list-style-type: none"><li>Review DRAFT ordinance language to regulate booking platforms</li></ul>
December	<ul style="list-style-type: none"><li><u>EXL Presentation:</u> Other Lodging License Types</li></ul>	<ul style="list-style-type: none"><li>Educate committee members on the differences and similarities of lodging licenses and short-term rental licenses in Denver and other jurisdictions</li></ul>



# 2020 STRAC Meetings

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

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Speakers are allotted two minutes.

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

