

Denver Short Term Rental Advisory Committee

September 10, 2019

Excise and Licenses

Old Business

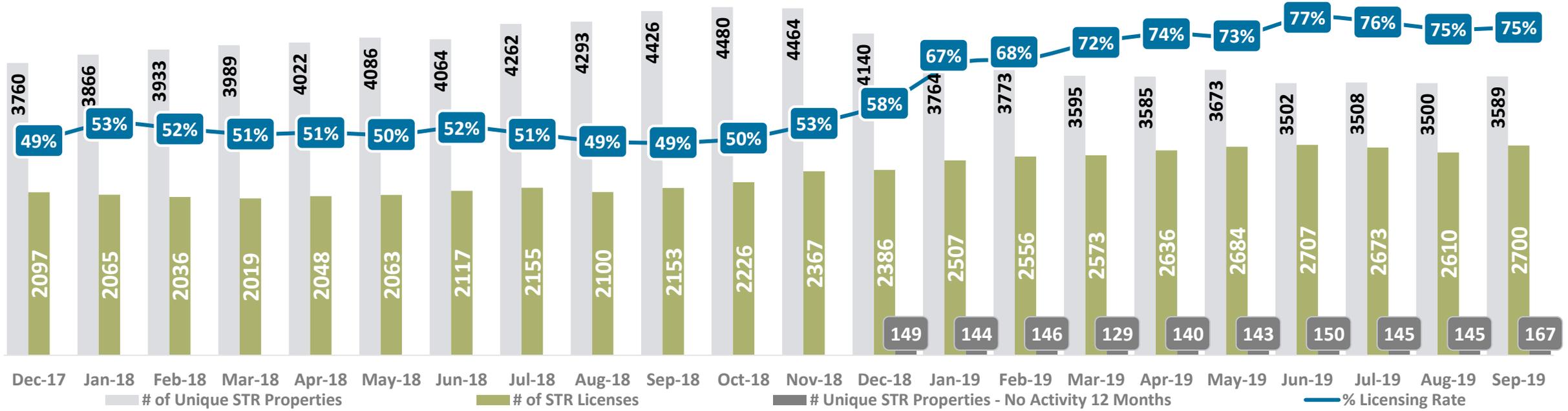
- Airbnb Updates



Licensing & Enforcement Updates



STR Compliance/Trends



	Sep-18	Aug-19	Sep-19	MoM	YoY
# of Unique STR Properties - Active	4,426	3,500	3,589	3%	-19%
# Unique STR Properties - No Activity 12 Months	-	145	167	15%	-
# of STR Licenses	2,153	2,610	2,700	3%	25%
% of Units Identified	72%	83%	93%	12%	29%
% Licensing Rate	49%	75%	75%	1%	53%

Lodger's Tax Update (as of 9/9/19)

Lodger's Tax Accounts	STR Business Licenses (active)	Pending Applications	Pending Renewals	Difference (Tax v. Active Business Licenses)
3,560 (as of 9/9/19)	2,749	75	138	598 (up from 488 in July)

	2017 Total	2018 Total	2019 YTD
Lodger's Tax collected	\$3.5M	\$8.36M	\$7.9M
% of Lodger's Tax collected		7.5%	10.1%

- This amount does not include OPT or license fees.

STR Enforcement – Primary Residence

		Volume	Outcome
Affidavit of Primary Residency	Failure to meet primary residence requirement	249 sent out since 3/1/2019	<ul style="list-style-type: none"> • 65 have been signed and returned
Upon Application	Primary Residency	202 Primary residency affidavits sent out upon some sort of application (new or renewal)	<ul style="list-style-type: none"> • 88 Applications withdrawn • 29 Closed - Administratively • 16 Denials pending • 6 Denied • 39 issued or renewed • 24 Open cases
Upon Complaint	Primary Residency	47 Primary residency affidavits sent out upon complaint	<ul style="list-style-type: none"> • 22 surrenders • 7 waiting upon next application • 18 open cases

STR Enforcement – Unlicensed Listings

Notices of Violations sent since 05/17/18 (advertising without a license)

- 2775 issued (96 are still in cure date)
- 2414 have come into compliance
- Approximately 65% success rate with NOV alone

Administrative Citations #1 (\$150) since 06/09/18 (continuing to advertise w/out a license)

- 933 issued
- 782 in compliance
- Approximately 83% success rate at this level of enforcement

Administrative Citations #2 (\$500) since 07/31/18

- 205 issued
- 159 in compliance
- Approximately 77% success rate at this level of enforcement

Administrative Citations #3 (\$1000) since 07/10/18

- 6 issued
- 4 in compliance (the two out of compliance are unique circumstances)

Approximately \$98,800 collected in fines.

STR Calls to 311

	2018	2019	Grand Total
COMPLAINT TYPE			
Complaint	92	68	160
General Inquiry	177	117	294
How do I apply?	156	179	335
Insufficient Application	110	160	270
Notice of Violation	635	763	1398
Online Issues	409	270	679
Primary Residence	238	308	546
Status of Application	126	350	476
Surrender	84	42	126
Grand Total	2027	2257	4284

Current Events



- Arizona:
 - Governor of Arizona (Doug Ducey) said lawmakers has asked legislators to revisit the restrictions on short-term rentals during the upcoming legislative session.
 - In 2016, Ducey signed legislation preventing local governments from prohibiting STRs. He is now arguing for balancing public policy fixes with the interests of homeowners who might wish to lease out their houses a few days at a time.
 - [Ducey says Arizona lawmakers will revisit laws on short-term rentals after outcry in Sedona](#)
- San Francisco
 - As a result of the city's new enforcement of unregistered listings, the City is seeing about 45% of all STR applications are being denied for what appears to be false residency claims.
 - San Francisco law requires the resident live in the home for at least 275 nights per year.
 - [San Francisco Unregistered Vacation Homes Surge Fraudulent Short-Term Rental Applications](#)
- Multi-jurisdictional
 - Helpful chart that lists high-level summary of STR laws in major US cities
 - [Short-Term Rental Laws in Major US Cities](#)

- Santa Monica
 - Airbnb and Homeaway.com argued that the Santa Monica ordinance that prohibits hosting platforms from processing unlicensed rentals violated the Communications Decency Act because it required platforms to monitor the content of third-party listings on their sites and remove unlicensed listings.
 - In March the Ninth Circuit upheld a Santa Monica ordinance and clarifies interpretation of the Communications Decency Act through upholding the data sharing requirements.
 - The companies petitioned that the case be reheard by a new panel. In August, the ninth circuit rejected that petition to rehear the case.
 - The decision to not rehear the case upholds the Santa Monica ordinance.
 - [Airbnb Fails To Overturn Santa Monica Home-Sharing Law](#)
- Boston
 - Boston will now be able to notify Airbnb of listings deemed ineligible under the city's STR ordinance. If the host does not comply with the city's registration process in 30 days, Airbnb will be required to remove the listing from its platform.
 - By December 1, all Boston listings will be required to display a city-formatted registration number, or the listing will be removed.
 - Airbnb has also agreed to share data about the listings with the city, including the listing's URL, registration number, host ID, and zip code.
 - "My goal in regulating short-term rentals has always been to responsibly incorporate the growth of the home-share industry into our work to create affordable housing for all by striking a fair balance between preserving housing and allowing Bostonians to benefit from this new industry." –Mayor Marty Walsh
 - [Boston Reaches Settlement With Short-Term Rental Firm Airbnb](#)

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

Boston

Booking Agents

- Defines “booking agent” as “any person or entity that facilitates reservations or collects payment for a short term rental on behalf of or for an operator.”

Responsibilities

- Must provide to the City a monthly electronic report of listings maintained, authorized, facilitated, or advertised by the agent.

Penalties

- Any booking agent who accepts a fee for booking an ineligible unit for use as a short term rental shall be fined \$300 per violation per day.

Honolulu

Booking service

- Defines “booking service” as any reservation or payment service provided by a person that facilitates a transaction between an owner/operator of a short-term rental and a prospective user in exchange for a fee.

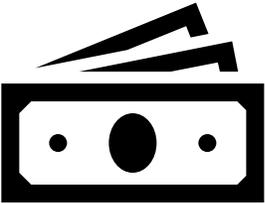
Unlawful acts

- Unlawful for an owner or operator’s agent or representative to “advertise, solicit, offer, or knowingly provide rental of” an unpermitted short term rental

Penalties

- Violators are subject to a civil fine of \$1,000 - \$10,000 for each day the violation continues

STR License Fees



Current License Fee = \$25 (no application fee)

Proposal = \$50 application fee, \$100 license fee

(Projected Annual Revenue = \$325,000 assuming 1300 application fees and 2600 licensing fees on an annual basis)

STR Licensing and Enforcement Costs

Description	Cost
3 FTE's (Program Administrator, Licensing Technician, License Inspector)	\$309,700
Compliance Software	\$125,000
TOTAL	\$434,700*

*Does not include City Attorney and Hearing Officer costs for show cause cases, denial hearings, etc.

Public Comment



Next STRAC meeting: Tuesday, October 8, 2019

Remaining 2019 Meetings:
12/10/19