Denver Short Term Rental Advisory Committee

August 8, 2023

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 Alex.Vidal@denvergov.org at any point during the meeting.
Data Updates
STR Application Processing (month-to-month)
STR Completed Applications
(Last 12 Months)

New Applications
- 0-7 Days: 45%
- 8-30 Days: 34%
- 31-60 Days: 12%
- 61-90 Days: 4%
- 91-180 Days: 3%
- 180-365 Days: 1%

Renewal Applications
- 0-7 Days: 39%
- 8-30 Days: 32%
- 31-60 Days: 20%
- 61-90 Days: 4%
- 91-180 Days: 3%
- 180-365 Days: 1%
Final Disposition of Applications
(Last 12 Months as of 8/7/23)

Issued - 2,640 (82%)
Denied - 113 (4%)
Withdrawn - 100 (3%)
Administratively Closed - 169 (5%)
Pending - 214 (7%)
311 Trends by Topic

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>2023 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Questions</td>
<td>72%</td>
<td>76%</td>
<td>76%</td>
</tr>
<tr>
<td>Questions</td>
<td>20%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Complaints</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>AC/NOV...</td>
<td></td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>
311 Data and Trends in 2023

<table>
<thead>
<tr>
<th>Category</th>
<th>Jan 2023</th>
<th>Feb 2023</th>
<th>Mar 2023</th>
<th>Apr 2023</th>
<th>May 2023</th>
<th>Jun 2023</th>
<th>Jul 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Citation</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application</td>
<td>189</td>
<td>173</td>
<td>162</td>
<td>191</td>
<td>201</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Inquiry</td>
<td>27</td>
<td>24</td>
<td>36</td>
<td>31</td>
<td>29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notice of Violation</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Property Complaint</td>
<td>16</td>
<td>11</td>
<td>18</td>
<td>11</td>
<td>19</td>
<td>17</td>
<td>12</td>
</tr>
</tbody>
</table>
## Lodger’s Tax Update

<table>
<thead>
<tr>
<th></th>
<th>2017 Total</th>
<th>2018 Total</th>
<th>2019 Total</th>
<th>2020 Total</th>
<th>2021 Total</th>
<th>2022 Total</th>
<th>2023 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodger’s Tax from STRs</td>
<td>$3.5M</td>
<td>$8.36M</td>
<td>$10.6M</td>
<td>$5.6M</td>
<td>$8.2M</td>
<td>$11.4M</td>
<td>$8.15M</td>
</tr>
<tr>
<td>% of Lodger’s Tax Whole</td>
<td>7.5%</td>
<td>10.1%</td>
<td>11.9%</td>
<td>10.4%</td>
<td>9.1%</td>
<td>11.3%</td>
<td></td>
</tr>
</tbody>
</table>

*Due to technology upgrades, all starred numbers are approximations and may not reflect actual amounts.*
Current Events
What’s happening in the world of short-term rentals?

Globally/In General
- Data making STRs a sophisticated market (link)
- STR saturation leads to correction and home sales (link)
- Colorado among places seeing STR crash (link)

Nationally
- Dallas bans STRs in SFHs (link)
- Philadelphia cracking down on unlicensed STRs (link)
- Whatcom County, WA sets high bar for STRs by lake (link)

Locally
- Douglas County adopts new STR license requirement (link)
- Jefferson County residents say STRs a huge problem (link)
- Colorado STRs among highest for revenue potential (link)
Residential Rental Property (RRP) Goals & Ordinance Development

Stacie Gilmore, Councilmember District 11
Residential Rental Program Policy Goals

Denver City Councilwoman Gilmore

- Ensure the minimum housing standards of rental units are maintained for the welfare, safety, and health of those residing in them
- Accurately track our city’s housing stock and rentals, including single-family homes, duplexes, townhomes, and condos being rented
- Utilize contact information to share city resources with rental property owners and tenants and help strengthen landlord and tenant education and outreach
Residential Rental Property (RRP) License Program Overview

Nicole Kim, Residential Rental Program Manager
Residential Rental Property

- A residential rental property is any building, structure, or accessory dwelling unit that is rented or offered for rent as a residence for 30 days or more at a time.
- Short term rentals are covered under a separate license program.
- Estimated 54,000 properties in Denver that will need to be licensed.
- Partners with existing DDPHE complaint-based program for housing code and regulation enforcement. Recommendations from RRLAG considered DDPHE codes.
Important Dates

- As of Jan. 1, 2022, landlords must provide a written lease and a copy of the Denver Tenant Rights and Resources doc.

- As of Jan. 1, 2023, all multi-unit properties need to be licensed.

- By Jan. 1, 2024, all single-unit properties will need to be licensed.
Property Information

• Inspections by a qualified inspector are required for license application.
• Single unit properties require an individual license.
• For multi-unit properties, a single license can be issued for multiple units, addresses, or structures if they are all located on a single parcel, or contiguous parcels, and under the same ownership.
• Additional addresses must be documented on inspection checklist and application.
Inspections

• Inspections must be conducted by 3rd party inspectors, qualified to conduct RRP inspections.

• Inspections must be completed for 10% of the total number of units (a minimum of one if less than 10).

• Units must be randomly selected by inspector using a random number generator.

• All checklist items apply, including common areas and shared utilities, owners and managers are advised to plan ahead and understand the requirements.
Inspector Qualifications

Only inspectors who meet the qualifications established by the ordinance DRMC 27-192 can perform RRP inspections. To perform RRP inspections, a person must be:

• Certified by the American Society of Home Inspectors (ASHI), the International Association of Certified Home Inspectors (InterNACHI) or the Master Inspector Certification Board AND

• Certified as an R5, C5, or C8 Combination Building Inspector by the International Code Council (ICC).
Conducting Inspections

• Costs are set by inspectors or inspection companies.

• Property owners and managers should utilize inspector list and certification agencies to find a qualified inspector.

• Inspectors must remain current on certifications.
Inspection Requirements

• Inspection checklist form, based on Residential Health Code

• Inspection Checklist Guidebook available for additional information

• In addition to checklist, properties must comply with all existing codes and laws (including Zoning, Fire, Building)
Reinspections

• Checklist items can be addressed during inspection, should be noted on form.
• Non-compliant items should be reinspected once corrections have been made.
• Applicants can submit within 90 days of original inspection. Reinspections must be submitted within one year of an application.
Application Resources

• [New Residential Rental Property Application page](#) outlines all information required.

• [Step by step videos](#) are available.

• Contact [licenses@denvergov.org](mailto:licenses@denvergov.org) or 311 for status or other questions.

• [Virtual and in person appointments](#) are available for assistance. Walk in assistance is available in EXL office.
Exemptions

- **New construction exemptions** for properties built in the last 4 years, based on issuance of certificate of occupancy.

- **Affordable or public housing properties** could have their application and licensing fees waived. An alternative inspection report by a government agency can be submitted if the property qualifies.
License Issuance

- License must be posted.
- Licenses are valid for 4 years unless ownership changes.
- Licenses are not transferable.
- Any change to the Residential Rental Property or ownership requires a new license.
- Ordinance requires that the license number be included in advertisements. The format is YEAR-BFN-XXXXXXXX.
Stay Informed

- **Residential Rental Property Information**
- Sign up for the **Residential Rental Property Information Bulletin**.
- Review our **FAQs** and other information on our **webpages**.
- Contact Program Manager Nicole Kim at **Nicole.Kim2@denvergov.org**
- You may also email comments/questions to **licenses@denvergov.org**
Comparing STR and RRP Licenses

Erica N. Rogers, Policy Director
# License Basics

<table>
<thead>
<tr>
<th>Short-term rental</th>
<th>Residential rental</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition</strong></td>
<td><strong>Definition</strong></td>
</tr>
<tr>
<td>A short-term rental is any <em>dwelling unit</em> offered, provided, or operated as <em>lodging accommodations</em> for a period of <strong>less than 30 consecutive days</strong></td>
<td>A <em>residential rental property</em> is any <em>building(s), structure(s), or accessory dwelling unit</em> that is rented or offered for rent as a <em>residence</em> for a period of <strong>30 consecutive days or more</strong></td>
</tr>
<tr>
<td><strong>Code Sections</strong></td>
<td><strong>Code Sections</strong></td>
</tr>
<tr>
<td>Chapter 33 – Lodging Article III – Short term rentals</td>
<td>Chapter 27 – Housing Article VIII – Licensing of Residential Rental Property</td>
</tr>
<tr>
<td><strong>License required</strong></td>
<td><strong>License required</strong></td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Term of license</strong></td>
<td><strong>Term of license</strong></td>
</tr>
<tr>
<td>1 year</td>
<td>4 years</td>
</tr>
<tr>
<td><strong>Is the license transferrable?</strong></td>
<td><strong>Is the license transferrable?</strong></td>
</tr>
<tr>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Insurance requirements</strong></td>
<td><strong>Insurance requirements</strong></td>
</tr>
<tr>
<td><strong>Minimum $1,000,000 in liability insurance</strong></td>
<td>No insurance requirements</td>
</tr>
</tbody>
</table>
# Application Requirements

<table>
<thead>
<tr>
<th>Identification</th>
<th>Valid <a href="#">Colorado Drivers License or ID card</a></th>
<th>Any form of ID accepted by the Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspection</td>
<td>Not required</td>
<td>Required upon application, though limited exemptions apply</td>
</tr>
<tr>
<td>Notification of HOA</td>
<td><strong>Required</strong> upon application</td>
<td>Not required</td>
</tr>
<tr>
<td>Proof of Primary Residency</td>
<td><a href="#">Two documents required</a> upon application</td>
<td>Not required</td>
</tr>
<tr>
<td>Possession Requirements</td>
<td>If you do not own the short-term rental property, a signed <a href="#">possession of property certificate</a> is required upon application</td>
<td>Applicants are required to attest that they are in possession of the property upon application.</td>
</tr>
<tr>
<td>Lodger's tax account number</td>
<td><strong>Required</strong> upon application</td>
<td>Not required</td>
</tr>
</tbody>
</table>
## Compliance Requirements

<table>
<thead>
<tr>
<th></th>
<th>Short-term rental</th>
<th>Residential rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisements</td>
<td>Licensee must display BFN in <strong>all advertisements</strong></td>
<td>Licensee must display BFN in <strong>all advertisements</strong></td>
</tr>
<tr>
<td>Appliances</td>
<td>No requirements for appliances</td>
<td>Licensee must ensure supplied appliances are <strong>safe and sanitary</strong></td>
</tr>
<tr>
<td>Guest Document</td>
<td>Licensee must provide on the licensed premises a <strong>guest brochure</strong> that includes</td>
<td>Licensee must execute a lease with all long-term renters and provide tenant a copy of the <strong>Denver Tenant Rights and Resources</strong> (there is also a <strong>Spanish version</strong>) at the time the lease is signed.</td>
</tr>
<tr>
<td>requirements</td>
<td>contact information and relevant information about topics such as parking, noise,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>or water restrictions; trash collection schedule; evacuation routes; etc.</td>
<td></td>
</tr>
<tr>
<td>Record-keeping</td>
<td>Licensee must maintain <strong>past-year records</strong> of the total number of nights and the</td>
<td>No record-keeping requirements</td>
</tr>
<tr>
<td>requirements</td>
<td>dates that the short-term rental was rented by a guest.</td>
<td></td>
</tr>
<tr>
<td>Safety Equipment</td>
<td>Must have functioning **smoke detector, carbon monoxide detector, and fire</td>
<td>Licensee must comply with all requirements on <strong>RRP Inspection Checklist</strong>, including functioning fire extinguisher, smoke detectors and carbon monoxide detectors as specified in <strong>RPP Guidebook</strong>.</td>
</tr>
<tr>
<td></td>
<td>extinguisher** on premises.</td>
<td></td>
</tr>
</tbody>
</table>
# Fees

<table>
<thead>
<tr>
<th></th>
<th>Short-term rental</th>
<th>Residential Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Fee</td>
<td>$50</td>
<td>$50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$25 for single-unit properties through 12/31/2023</td>
</tr>
<tr>
<td>License Fee</td>
<td>$100</td>
<td>$50: Single dwelling unit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$100: 2 to 10 units</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$250: 11 to 50 units</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$350: 51 to 250 units</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$500: 251 or more units</td>
</tr>
<tr>
<td>Fee Exemptions</td>
<td>None</td>
<td>Fee exemptions for <a href="https://denvergov.org">affordable and subsidized housing</a></td>
</tr>
</tbody>
</table>
What type of license do I need?

You’ll need to think about two questions:

1. What type of space are you renting out to guests?
2. How long will each guest or party be staying?

You should always talk to an attorney or consultant if you need legal or business advice!
What type of space are you renting to guests?

<table>
<thead>
<tr>
<th>The space where you live</th>
<th>A living space that is accessory to where you live</th>
<th>Some other living space</th>
</tr>
</thead>
</table>
| • This is known as your primary residence. | • This is known as an accessory dwelling unit (ADU)  
• Note: In order to be a true ADU, the accessory space must meet the ADU guidelines in the Denver Zoning Code  
• Examples: a basement ADU within your single-family home or a detached ADU on the property where you live | • A living space that you don’t live in and that is not accessory to the space you live in is probably a residential rental property.  
• Examples: a condo you used to live in but moved out of, a single-family home that you rent to tenants for a year at a time, or a multi-unit apartment building |

These are all just a few illustrative examples, not an exhaustive list!
How long will each guest or party be staying?

<table>
<thead>
<tr>
<th>Short-term</th>
<th>Mid-term or Long-term</th>
<th>Both?</th>
</tr>
</thead>
</table>
| • These are stays that last for **29 days or less**.  
• In order to rent out a space short-term, it **must be your primary residence**.  
• You may wish to rent out your primary residence to guests for short-term stays while you go **skiing on the weekends, travel for work or leisure**, or during an **extended vacation**. | • While there are no definitions in the D.R.M.C. for “mid-term” or “long-term” stays, these terms refer to stays of **30 days or longer**.  
• You can rent your primary residence, ADU, or residential property to guests for stays that are **30 days or longer**.  
• You may wish to rent out your space while you **travel for work**, go on **active military duty**, or **study abroad for a semester**. | • You may want **flexibility** or be **unsure** of how long you want to rent out your space.  
• **Example**: Erica has won the lottery and wants to rent out her space to a single tenant while she takes a year-long vacation to Italy in 2025. However, she knows she’ll spend her entire winnings on delicious food and travel, so she wants to return to her space and rent it out for shorter periods before and after 2025 so she can pay bills. |
Cheat Sheet

- Previously, STR licensees could rent to guests for any length of time with only their STR license.
- Now, STR licensees will need both a STR license and a RRP license if they want to rent both/either short-term or longer term.
- STR licensees who only want to rent short-term are not impacted.
- RRP licensees cannot rent their residential rental property short-term unless they also meet the requirements for a STR license.
Questions?
2023 STRAC Meeting Dates

- November 14

Agenda Planning

- Sustainability & Disability Access (November ‘23)

• All meetings will be held via Zoom
• Additional meetings can be scheduled as needed
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 Alex.Vidal@denvergov.org.

Speakers are allotted two minutes to speak.

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