



**DENVER**  
THE MILE HIGH CITY

# Denver Short Term Rentals Proposed Zoning Code Text Amendment & Licensing Ordinance

June 13, 2016

Excise and Licenses

Community Planning and Development

## ❖ May 2014

- Councilwoman Susman convenes Sharing Economy Task Force. Meets periodically to discuss sharing economy issues (home-sharing, ridesharing, etc.)

## ❖ February 2015

- INC ZAP Presentation on STRs 2/14/15

## ❖ April 2015

- STR Presentation to 4/22/15 Neighborhoods & Planning Committee.
- Sharing Economy Task Force folds into PLAN Committee

## ❖ September 2015

- STR Presentation to 9/2/15 PLAN Committee

## ❖ October 2015

- STR Internal Steering Committee convenes monthly

## ❖ December 2015

- STR Presentation to 12/9/15 PLAN Committee

## ❖ January 2016

- Denver STR website, email, and distribution list goes live.
- PLAN STR Discussion 1/13/16
- Planning Board Update on 1/20/16
- INC ZAP Presentation 1/23/16

## ❖ February 2015

- Zoning Code Text Amendment Posted for Public Review
- STR Community Town Halls:
  - February 3<sup>rd</sup> - South High School
  - February 11<sup>th</sup> - East High School
  - February 17<sup>th</sup> - North High School
  - February 25<sup>th</sup> - Christ Church United Methodist

## ❖ March 2016

- Planning Board makes recommendation on STR Text Amendment at 3/16/16 public hearing.
- STR Update to 3/30/16 PLAN Committee

## ❖ April 2016

- ❖ STR Text Amendment and Licensing Ordinance introduced to 4/13/16 PLAN Committee

## Purpose & Sponsor of Text Amendment

- Recognize the growing popularity of short-term rentals while providing protections for:
  - Neighborhoods
  - Residents
  - Short-term rental guests & hosts
  - Operators of traditional lodging accommodations
- Support a companion ordinance to create a business licensing system for short-term rentals
- Sponsored by Councilmember Mary Beth Susman, District 5



## Status of Short-term Rentals

- Short-term rentals are not allowed in most residential districts
  - Neighborhood Inspection Services enforces by complaint
- A short-term rental may be allowed in mixed-use commercial districts as “Lodging Accommodations” with a zoning permit and subject to parking and building code requirements





## DZC TEXT AMENDMENT Proposed Text Amendment

- Allows short-term rentals as accessory to a primary residential use
  - Permitted with limitations citywide where residential uses are currently allowed
    - While short-term rental demand varies by neighborhood, potential benefits and impacts do not
  - No zoning permit required
    - A streamlined approach promotes greater compliance
      - The proposed short-term rental framework places most requirements in business licensing rather than zoning
      - Requiring both a business license and a zoning permit would be duplicative (other home-based businesses require a zoning permit but usually do not require a business license)

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Denver Zoning Code Text Amendment #8  
SHORT-TERM RENTALS  
CITY COUNCIL REVIEW REDLINE DRAFT 05/10/2016

This document contains a redlined draft of the Short-term Rentals text amendment.

1. Text in red underline is proposed new language.
2. Text in ~~red strikethrough~~ is proposed deleted language.
3. Text that is **highlighted** is a note.
4. While every effort is made to ensure document quality, cross-referenced section numbers, figure numbers, page numbers, and amendment numbers may appear incorrect since both new and old text appears in a redlined draft. These will be corrected in the final, "clean" version of the text amendment that is filed for adoption by City Council.

Please visit our website at [www.DenverGov.org/CPD](http://www.DenverGov.org/CPD), then click on Text Amendments under Zoning, to:

- Learn more about Text Amendments
- Learn more about the process for this text amendment
- Sign up for email newsletters

Please send any questions or comments to [PlanningServices@denvergov.org](mailto:PlanningServices@denvergov.org).

- Permits short-term rentals conducted
  - By the person using the dwelling unit as their primary place of residence (owner or renter)
    - Rental of a whole house or dwelling unit is permitted
    - Resident may be off-site during the rental (on vacation, fulfilling National Guard service, etc.)
  - In a primary structure or an attached/detached accessory dwelling unit
- Does not permit short-term rentals
  - Conducted by persons who are not a primary resident of the dwelling unit
  - To multiple groups of guests in one dwelling unit
  - For special events such as weddings or parties



- The primary resident requirement is intended to:
  - Help preserve the fabric of residential neighborhoods
    - Primary use remains residential
    - Short-term rentals permitted as accessory
  - Recognize decades of experience with home-based businesses that indicate fewer neighborhood concerns when there is a primary resident
    - This is why Denver’s current regulations allow home-based businesses as accessory to a primary residential use
  - Allow continuing evaluation of potential impacts to housing stock
    - We are taking a first step towards regulation of short-term rentals that leaves future options open





# Public Comments - Letters & Emails

	Support for Primary Resident Req.	Opposition to Primary Resident Req.	Support for STRs in General	Opposition to STRs in General
Number of Letters & Emails	71*	103**	102	48
Percentage of Letters & Emails	32%*	46%**	46%	21%

Based on 224 letters and emails received through 3:00pm on 6/13/16 (some letters and emails fall into more than one category)

\*Approx. 12 emails expressing support for the primary resident requirement used a forwarded email template.

\*\*Approx. 60 emails expressing opposition to the primary resident requirement used a forwarded email template.



# Public Comments - RNOs & other Orgs:

	Support for Text Amendment as Drafted	Support for Primary Resident	Opposition to Primary Resident	Support for STRs in General	Opposition to STRs in General
INC Delegates					
INC ZAP					
CARO					
Capitol Hill United Neighbors (CHUN)					
Curtis Park Neighbors					
Greater Park Hill					
Pinehurst HOA					
University Hills North Community					
University Park					*
West Wash Park					
Wash Park East					
Vacation Rental Managers					
AIA Denver				*In single-family neighborhoods	



DZC TEXT AMENDMENT  
Denver Zoning Code (DZC)  
Review Criteria

DZC Text Amendment Review Criteria:

1. Consistency with Adopted Plans
  - Comprehensive Plan 2000
  - Blueprint Denver: A Land Use and Transportation Plan
2. Uniformity of District Regulations
3. Further Public Health, Safety and Welfare



## DZC TEXT AMENDMENT REVIEW CRITERIA Denver Zoning Code (DZC) Review Criteria

1. Consistency with Adopted Plans: Comprehensive Plan 2000
  - Neighborhood Objective #1: A City of Neighborhoods
    - Modify land-use regulations for flexibility to accommodate changing demographics and lifestyles
    - Allow/encourage a diverse mix, including home-based businesses
  - Land Use Objective #2: Denver Zoning Ordinance
    - Promote a zoning ordinance that is “flexible and accommodating of current and future land-use needs, such as home-based business and accessory flats.”
  - Housing Objective #2: Preserve and Expand Existing Housing
    - Preserve and modernize Denver’s existing housing stock and established neighborhoods
  - Economic Objective #3: Expand Economic Activity
    - Promote quality accommodations for visitors

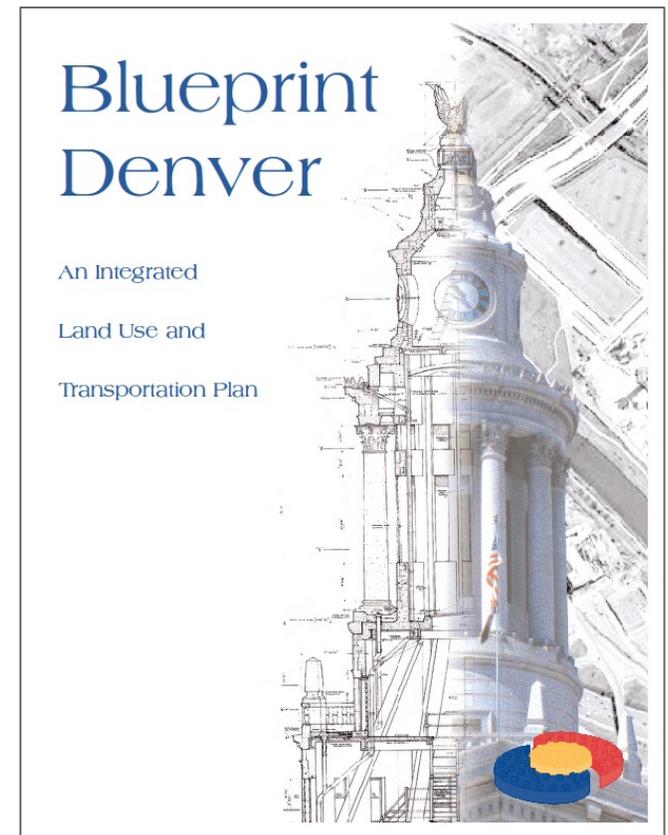
*The proposed text amendment is consistent with the objectives of Comprehensive Plan 2000*



## DZC TEXT AMENDMENT REVIEW CRITERIA Denver Zoning Code (DZC) Review Criteria

1. Consistency with Adopted Plans:  
Blueprint Denver
  - Goals for
    - Maintaining the character of Areas of Stability while accommodating redevelopment
    - New and revitalized neighborhood centers
  - Recommendations that
    - Zoning concentrate more on building design than use
    - Unenforceable standards not be included in zoning

*The proposed text amendment is consistent with Blueprint Denver goals and recommendations.*





DZC TEXT AMENDMENT REVIEW CRITERIA  
Denver Zoning Code (DZC)  
Review Criteria

2. Further Public Health, Safety and Welfare

*The proposed text amendment includes reasonable neighborhood protections and will assist with tracking of short-term rentals*

3. Uniformity of District Regulations

*The proposed text amendment applies uniformly to all zone districts where residential uses are permitted*



- On March 16, Planning Board voted 7 to 2 to recommend approval, finding that all applicable review criteria had been met
- Staff recommends that Denver Zoning Code Text Amendment #8 be approved, finding that the applicable review criteria have been met.



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# Denver Short Term Rentals Business License Proposal



## I. General STR License Requirements

- a) Licensee must be a legal resident of the United States
- b) Licensee must have permission from the landlord or property owner to operate STR (if applicable)
- c) STR unit must be licensee's primary residence (place of normal return) demonstrated via proof of voter's registration, driver's license, tax documents, utility bills, or any other relevant documentation determined sufficient by Director.
- d) STR unit must be located in a zone district that allows residential use
- e) Licensee must possess a valid Denver Lodger's Tax, and any other applicable tax account numbers, including Occupational Privilege Tax (OPT).

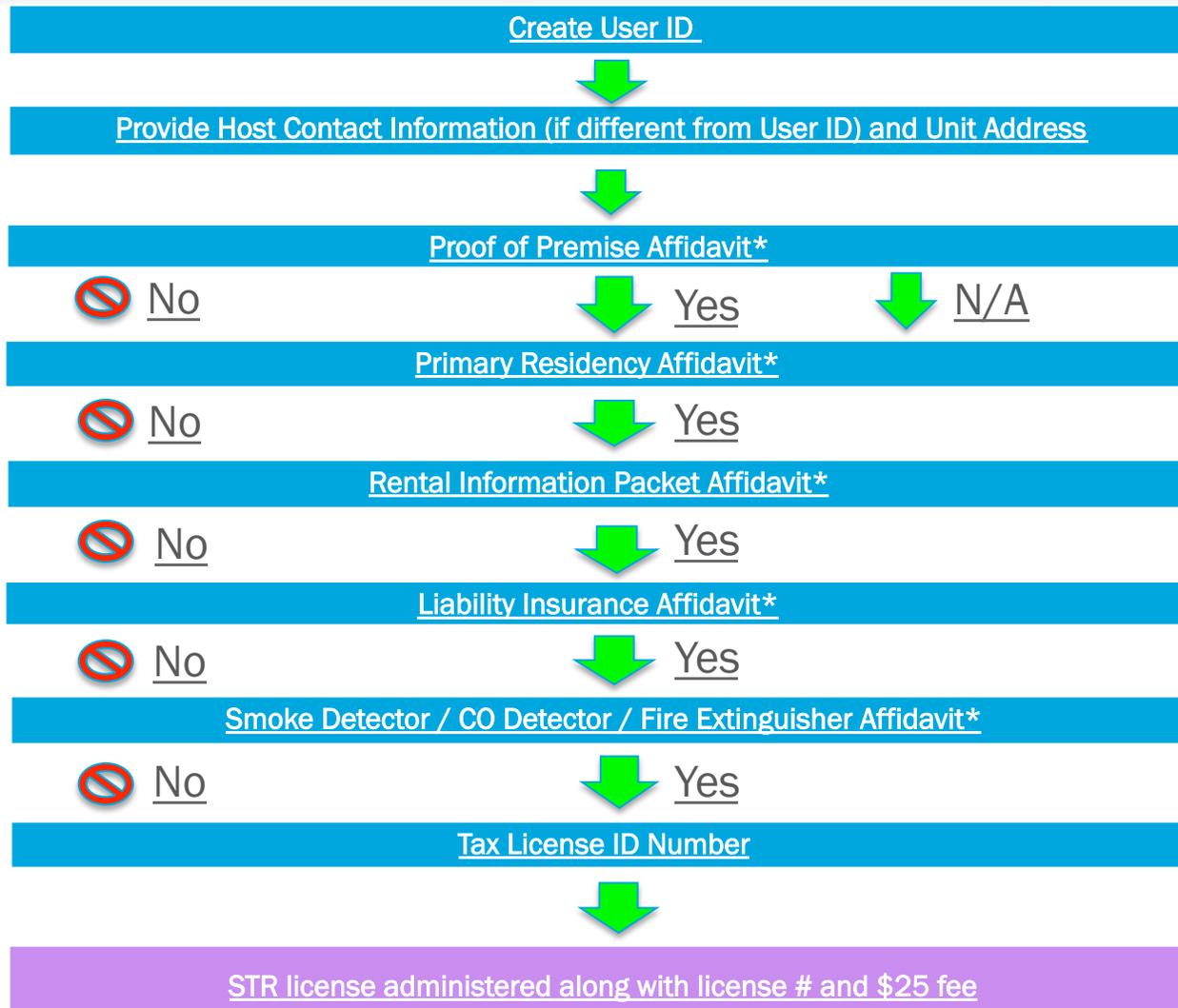


## II. Additional STR License Rules & Regulations

- a) The licensee must provide the STR unit address and personal contact information to Excise and Licenses at the time of application.
- b) The licensee must provide a rental packet with applicable city rules and restrictions, as well as pertinent unit safety information, to guests upon each booking:
  - i. Applicable city rules and restrictions may include but are not limited to, on-street parking restrictions, noise regulations, refuse collection schedule, etc.
  - ii. Unit safety information may include, but is not limited to, pertinent egress/ingress, fire evacuation route, safety features, etc.
  - iii. Local emergency contact information in case of emergencies
- c) The licensee must maintain general liability insurance to protect against property damage / bodily injury.
- d) The licensee must maintain an operable smoke detector, carbon monoxide detector, and fire extinguisher in the unit at all times.
- e) The licensee must list the unit's STR license number on any online, print or other advertisements.

# STR License Online Application Steps

\* Denotes Affidavit of Certification



### ❖ Short Term Rental Division (STRD):

Enforcement of STR licenses will combine complaint-based enforcement operations with proactive compliance monitoring. STR complaints and enforcement operations will be investigated through Excise and Licenses' Short Term Rental Division (STRD).

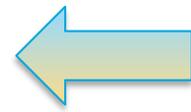
### ❖ STR Enforcement Tools:

Any STR licensee, or any responsible party, can be subject to the following for violating any requirements of the ordinance. This includes operating without a license, advertising without a license number, or not adhering to primary residency requirement. STR licensees can also face the below penalties for violating any state or local law:

- Notice to comply letters
- STR licensee audits
- STR licensee spot checks (web monitoring and in-person)
- STR license suspensions
- General Violations (fines) of up to \$999.00 per incident
- Show-cause hearings for STR license revocation

## EXL STR Division (STRD) enforcement: Unlicensed and Licensed STRs

- STR Division (STRD) receives and investigates complaints about unlicensed and licensed STRs
- STRD monitors, tracks advertisements for licensed and unlicensed STRs
- STRD investigates and inspects violations of licensing requirements (primary residence, safety features, rental packet, advertising w/out a license, etc.)
- STRD issues general violations, suspensions, show-cause hearings, etc.



## Enforcement of noise, trash, parties, etc. (DPD, NIS, 3-1-1, DEH)

- DPD responds to parties, loud noise, disturbing the peace calls (available 24/7)
- 3-1-1 receives trash, parking, noise, and other common neighborhood complaints (also available after hours, weekends)
- NIS, DEH, and other agencies investigate 3-1-1 calls on existing city rules related to noise, trash, parking, etc.



# STR 6 Month Soft Enforcement Window

## ❖ STR 6 Month Soft Enforcement Window:

- “Soft” enforcement of STRs from early July through December 31<sup>st</sup>, 2016 (STR licenses tentatively available online early July)
- Meant to encourage compliance and educate hosts about how and where to get licensed
- Various “soft” enforcement tools to educate hosts about new rules and requirements:
  - Reminder notices sent to hosts and property owners
  - “*Host with the Most*” marketing and education campaign launched by EXL
  - Utilization of STR Advisory Committee, STR email distribution list, and other resources available to gain high rate of compliance

Enforcement of STR ordinance requirements begin after December 31<sup>st</sup>, 2016

# Proposed STR Advisory Committee

## ❖ Purpose:

- Provide further research, studies, analysis of local short term rental industry
- Analyze complaints, violations, enforcement efforts, coordination between departments
- Provide recommendations and reports to Excise and Licenses and City Council\* (EXL administrators and staffs committee)
- Recommend further rules, regulations, and other procedures to be promulgated to administer and enforce STR license (fine schedules, enforcement procedures, other administrative operations)

*\*Can also study the feasibility of a non-primary residency license, and bring that recommendation to City Council at a later point in time through similar community process.*

## ❖ Length/Term:

- Meets as frequently as the committee deems necessary. Can work in perpetuity as long as license exists.

## ❖ Composition:

- “*The more the merrier*” philosophy; a wide range of views and opinions to provide robust and objective policy discussions. Potential members can include:
  - Neighborhood and RNO representatives
  - INC representatives
  - STR Licensees / Hosts
  - STR Guests
  - STR industry representatives
  - Hospitality representatives
  - Partnering city agencies
  - Excise and Licenses
  - City Council Members or Council staff
  - Outside experts; economists, academics, real estate, housing analysts, etc.



Questions?  
Comments?

Website: [www.Denvergov.org/STR](http://www.Denvergov.org/STR)  
Email: [STR@Denvergov.org](mailto:STR@Denvergov.org)



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