



DENVER
THE MILE HIGH CITY

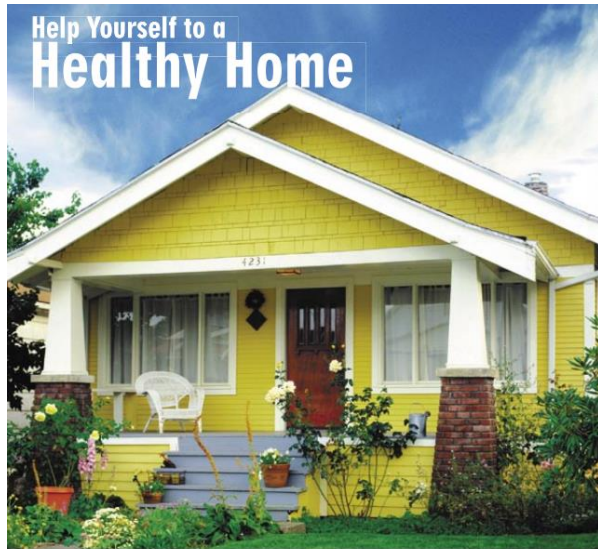
“Healthy Residential Rentals for All”

Denver Rental License Policy

Councilwoman Gilmore

FOR CITY SERVICES VISIT | CALL
DenverGov.org | **311**

Healthy Homes Are Fundamental



Protect Your Children's Health



U.S. Department of
Housing and Urban
Development

Indoor Air Quality
Asthma & Allergies
Mold & Moisture

Carbon Monoxide
Lead
Drinking Water

Hazardous Household Products
Pesticides
Home Safety

HUD "Help Yourself to a Healthy Home" guide

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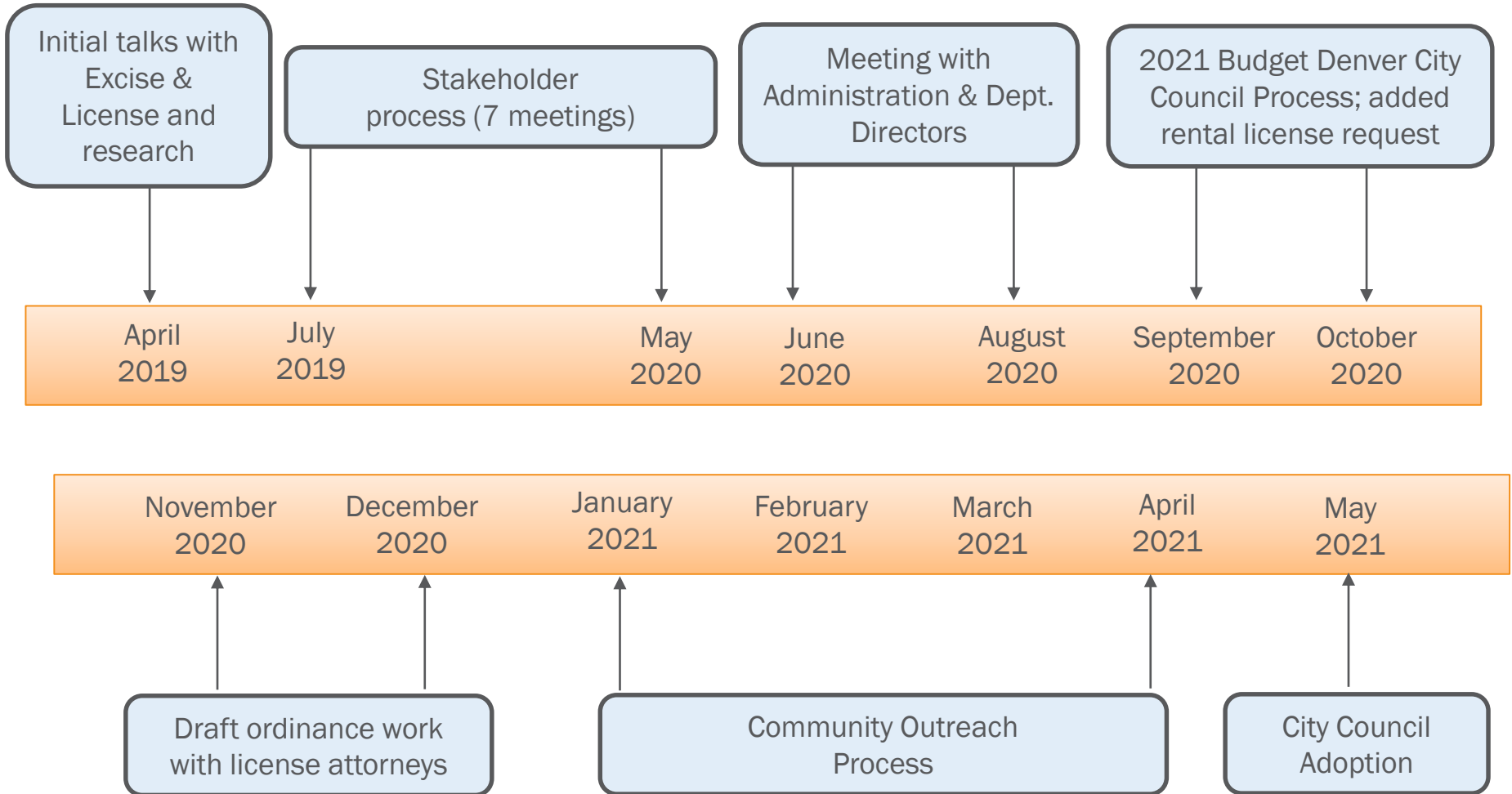
Too many families are forced to choose between a home you can afford, or one that is healthy for your family

The U.S. Dept of Housing describes "Healthy Homes" as a century-old concept that “promotes safe, decent, and sanitary housing as a means for preventing disease and injury. There are more than 6 million substandard housing units nationwide.”

- HUD.gov, [Making Homes Healthier for Families](#)

“Housing conditions can significantly affect public health. Residents of these units are at increased risk for childhood lead poisoning, asthma, fire and electrical injuries, falls, rodent bites, exposure to indoor toxicants, and other illnesses and injuries.”

- [CDC The Healthy Homes Initiative Fact Sheet](#)





City and County of Denver
CITY COUNCIL
Councilwoman Jamie Torres



The Problem We Are Solving For

Public health, welfare and safety concerns in residential rentals

Denver does not track rental housing stock data and landlord/operator contact info

Housing and public health crises make the housing stability of renters vital



Boulder's Tenant Landlord guide in Spanish

How a Rental License Benefits Denver

General Data

- Accurate rental data and contact information to better inform policy needs
- Community outreach and education

DDPHE Residential Home Program

- Supports RHP program
- Facilitates city led educational housing efforts

Rental License Benefits for Denver

Housing Stability

- Enhance renter protections, assistance & communication
- Foundation for other housing stability policies: relocation housing assistance & eviction assistance

Climate Action, Sustainability & Resiliency

- Support climate goals by collecting data to be used for future energy efficiency objectives

Denver Rental Data

Type of Housing	# of total housing units	# of potential rentals within the total	Potential rentals of total units in %
Single Family Homes	133,783 properties	25,668 rentals	19%
Condos	41,995 units	15,888 rentals	38%
Rowhouses	22,700 units	5,957 rentals	26%
Apartments	145,582 units	~6,600 parcels	100%
Total	519,838 units/properties	54,113 total with 6,600 apartment parcels	~37% of Denver housing stock are rentals



-
- Licensing by parcel instead of units creates more equity and streamlines process and fees
 - Apartment complexes vs. high rises

**Approximately 6,600
apartment parcels in Denver**

Phase 1: Jan 1, 2022

Early licensing open for all rental dwelling units on a parcel

Phase 2: Jan 1, 2023

License required for any person to offer, provide, or operate a residential rental property consisting of **2 or more rental** dwelling units on a parcel

Examples:

- Apartment building
- Apartment complex
- Condo units
- Rowhome units

Early licensing open for single dwelling unit on a single parcel

Phase 3: Jan 1, 2024

License required for any person to offer, provide, or operate a residential rental property consisting of a **single rental** dwelling unit on a single parcel

Examples:

- Single-family home
- Condo unit
- Rowhome unit

Application & License Fees

	Phase 1 - Jan 1, 2022 Early Licensing	Phase 2 - Jan 1, 2023 License required for 2 or more rental units on a parcel	Phase 3 - Jan 1, 2024 License required for a single rental unit on a parcel
Application Fee*	<ul style="list-style-type: none"> \$25 Reduced by 50% for all rentals during early licensing phase 	<ul style="list-style-type: none"> \$50 for Phase 2 required rentals \$25 for early license opt in for single rental unit on a parcel 	<ul style="list-style-type: none"> \$50 for all rentals

*Application fee is non-refundable as it pays for the administrative costs

	1 dwelling unit	2 – 10 units	11 – 50 units	51 – 250 units	Above 250 units
License Fee*	\$50	\$100	\$250	\$350	\$500

*License fee is refundable if license is not approved

Examples of Cost



Single Family Home with Early Licensing

Early Application	\$25
<u>License</u>	<u>\$50</u>
Total Cost	\$75
<i>Approx. \$1.56 per month*</i>	



Apartment High Rise with 200 units

Application	\$50
<u>License</u>	<u>\$350</u>
Total Cost	\$400
<i>Approx. \$8.33 per month*</i>	



Apartment Complex with 200 units

Application	\$50
<u>License</u>	<u>\$350</u>
Total Cost	\$400
<i>Approx. \$8.33 per month*</i>	

*License is renewable every 4 years, unless ownership changes

To obtain a license an inspection is required by a certified private home inspector

- Mirrors Boulder's rental license model by utilizing private home inspectors to create efficiencies for owners
- Inspections based on checklist of the minimum housing standards in DRMC Chapter 27
- Licenses are renewable every 4 years, and require a new inspection at renewal



Workforce Opportunities

Potential to create pathways for residents to get certified/trained as a home inspector

Multi-Dwelling Units



2 or more rental units on a single parcel
are required to have 20% of the units
inspected at random

<5 total units then at least 1 unit must be
inspected

Single Rental Units



1 rental unit on a single parcel
are required to be inspected to
obtain a license

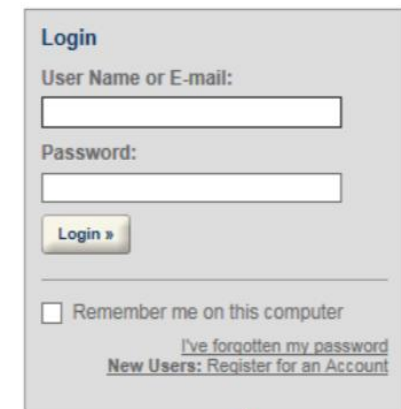
- The current DDPHE Residential Health Program will continue to address all complaint-based cases, even after the license requirement is in place
- Of those reported, DDPHE receives about 1200 annual complaints for issues such as mold, heating, water, ventilation, and other health and safety concerns



- Application available online via the Excise and License Accela online portal, similar to Short Term Rentals

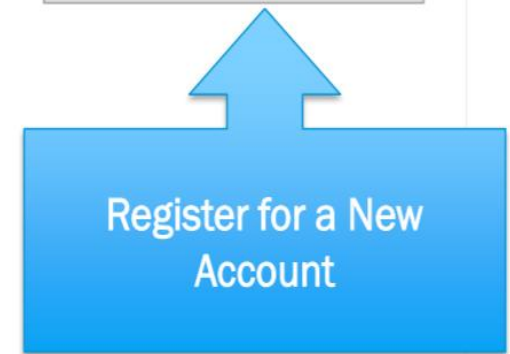
Application would require basic information:

- Owner-Applicant’s rental location(s)
- Owner-Applicant’s contact information
- If out of state, local responsible party contact information
- Manager(s)’s contact information (if applicable)
- Photo ID for Owner-Applicant and Manager(s)
- Legal attestation to the minimum housing standards in DRMC Chapter 27 and confirmed by proof of inspection



The screenshot shows a login form with the following elements:

- Login** header
- User Name or E-mail:** followed by a text input field
- Password:** followed by a text input field
- Login »** button
- Remember me on this computer
- [I've forgotten my password](#)
- [New Users: Register for an Account](#)



Exempt from licensure program:

- On-campus college housing
- Boarding homes
- Short-term rentals
- Commercial lodging

Exempt from application and license fees but must obtain a license and show proof of inspection:

- Rental properties owned in whole or in part, or leased and operated by any governmental agency

Must show proof of inspection required by a government agency

Exempt from the inspection requirement:

- New builds less than 4 years old do not require an inspection

The ordinance will utilize standard license language for penalties and hearing process

Administrative Fines

- Director may assess an administrative fine against the licensee not to exceed \$1,000 per violation
- Administrative fines deadline for payment not to exceed 30 days

Disciplinary Hearings

- The director may after investigation and a show-cause hearing at which the licensee has an opportunity to be heard can suspend or revoke any license previously issued for any violation (DRMC Chapter 32-22)

2021 Initial Budget Costs

Initial Accela software	\$241,800
Licensing technicians (2 FTEs)	\$140,000
<u>Outreach and education</u>	<u>\$ 10,000</u>
	\$391,800

Funds were approved in the 2021 budget asks of the Mayor and once ordinance is passed funds will be released to Excise and Licensing to begin technology build out and outreach

Questions?



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Appendix

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Date	Discussion
4/1/19	Met with EXL to explore software for rental registry and license program
May/June '19	Initial research with our legislative analysts
7/24/19	Working group meeting: Boulder presented their Rental License program
8/16/19	Substandard living conditions at single family rental in Green Valley Ranch
9/25/19	Working group meeting: Rental vs. licensure discussion
10/21/19	Working group meeting: Single-family rental properties data
11/13/19	Working group meeting: DDPHE Feasibility study on energy efficiency
1/15/20	Meeting with CPD to explore where the program could live
1/22/20	Working group meeting: Follow up with Boulder's program
Feb/Mar '20	Research on inspection process and options & COVID-19
4/1/20	Working group meeting: Inspection process feedback & discussion
5/4/20	Working group meeting: Finalize inspection process

Appendix - How We Got Here (continued)

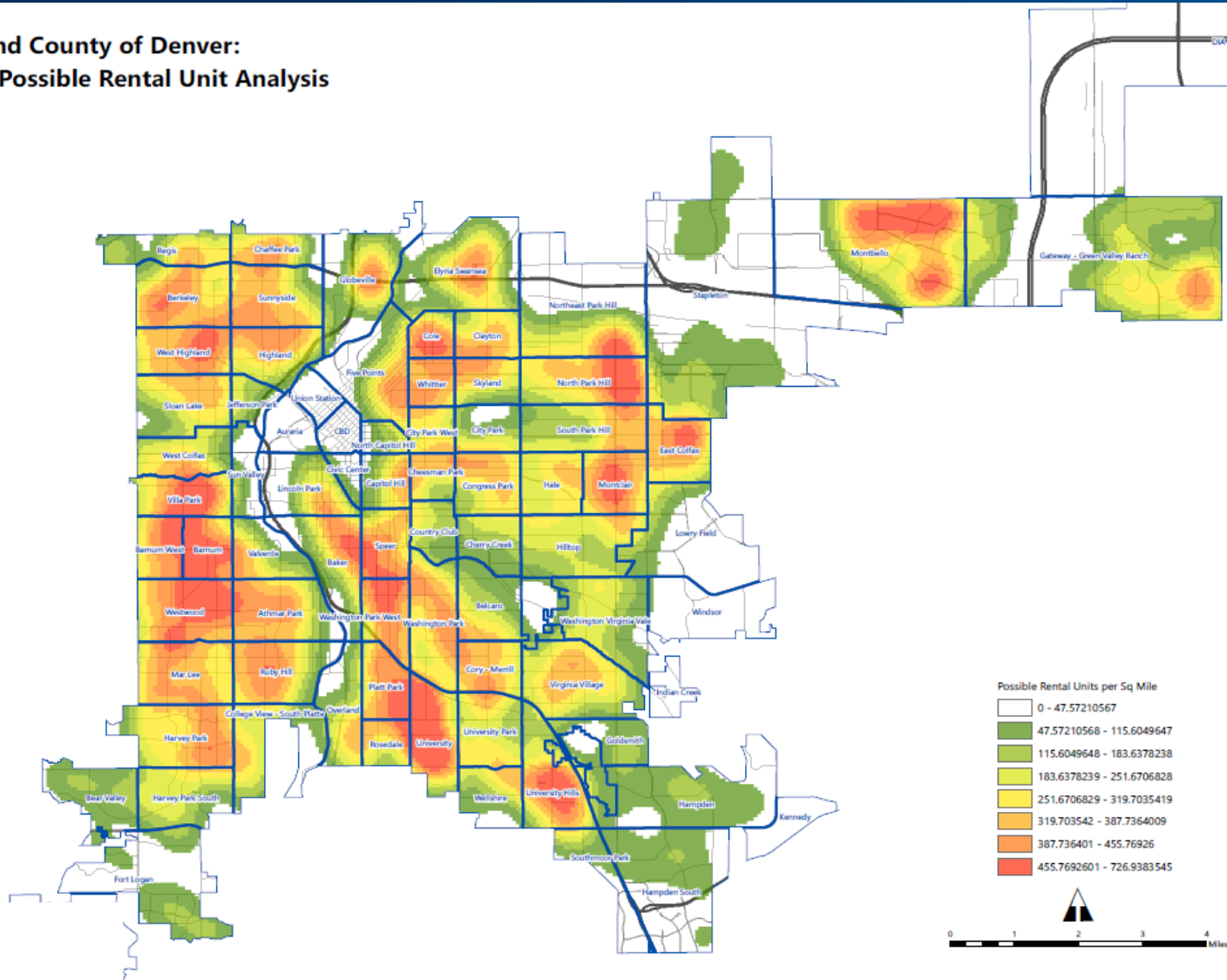
Date	Discussion
Summer '20	Met with EXL/DDPHE to discuss program in their agencies and phasing
Sept/Oct '20	Worked with EXL & Denver City Council to submit as a 2021 budget request
10/29/20	Working group meeting: Presented updated, phased approach program
Nov/Dec '20	Worked on draft ordinance with city Excise & License attorneys
1/27/21	Working group meeting: Updated presentation & feedback
1/28/21	Present to Budget & Policy City Council committee



Appendix – Outreach Plan

Organization Name	Organization Name
U.S. Dept, of Housing and Urban Development (HUD)	GES Coalition
Colorado Housing and Finance Authority (CHFA)	Northeast Denver Housing Center (NDHC)
Denver Housing Authority (DHA)	Servicios de La Raza
Apartment Association of Metro Denver	Montbello 20/20
CRL Associates	Homeless Out Loud
Denver Metro Association of Realtors	Montbello Leadership & District 11 Community Cabinet
Pinnacle Real Estate Management	Urban Land Conservancy (ULC)
ComCap Management	Inter-Neighborhood Collaboration (INC)
Ross Management Group	All in Denver
4 Seasons Management Group, LLC.	American Society of Home Inspectors
Stay Alfred, Inc.	International Association of Certified Home Inspectors
Laramar Group	Colorado 9 to 5
Atlas Real Estate	Brothers Redevelopment Inc.
Urban Ventures	West Denver Collaborative
Wheelhouse Apartments	Atlantis Community Inc.
Grace Property Management & Real Estate	Habitat for Humanity
Cornerstone Apartment Services, Inc.	Housing Colorado
Downtown Denver Partnership	Neighborhood Development Collaborative (NDC)
Pillar Property Services, LLC	B Konected

City and County of Denver:
Single Family Possible Rental Unit Analysis



Denver Min. Housing Standards

City and County of Denver Residential Housing Regulations

- Chapter 27 DRMC
- Adopted by the Board of Environmental Health on June 9, 2016

DDPHE utilizes these standards for their current residential health inspections

Chapter 2 Minimum Housing, Safety, and Construction Standards

Section 2-201 Minimum Space and Location Requirements

Section 2-202 Egress

Section 2-203 Water Supply, Materials and Waste Plumbing

Section 2-204 Ventilation

Section 2-205 Lighting

Section 2-206 Electrical Requirements, Fixtures, and Prohibitions.

Section 2-207 Heating and Water Heating Facilities

Section 2-208 Exterior Walls, Roofs and Foundations.

Section 2-209 Interior Walls, Ceilings and Floors.

Section 2-210 Windows, Doors, Hatchways, and Direct Openings.

Section 2-211 Stairways

Section 2-212 Bathrooms

Section 2-213 Drainage of Storm Water

Section 2-214 Solid Waste

Section 2-215 Insect, Rodent and Animal Control

Chapter 3 Plumbing

Section 3-301 General Standards

Section 3-302 Fixtures and Maintenance.

Chapter 4 Maintenance of Utilities and Equipment

Section 4-401 General

Section 4-402 Gas Cooking Appliances

Section 4-403 Other Gas Appliances

Section 4-404 Disconnecting Utilities

Tenant-Landlord Education & Outreach



Residential Landlord Tenant Guide

A Comprehensive Guide for All Denver Renters Including: Youth, Adults,
Aging, Immigrants, Refugees, LGBTQ and People with Disabilities

- Rental registries and licenses provide more avenues for landlord-tenant education and outreach
 - Tenant rights
 - Building up our tenant and landlord relationship/communication
 - DHS programs & supports – TRUA, property tax rebate, etc.
- The license fee is set very low and good for 4 years to ensure little to no impact on the landlord or tenant.
 - According to a study conducted by the University of Minnesota in partnership with Roseville Housing and Redevelopment Authority (2012) little evidence was found to show that landlords passed along inspection fees to their tenants through increases in rent. [Rental Licensing to Achieve Compliance](#)
- “Relocation fees” companion proposal to ensure if tenants are evicted, they receive compensation from the landlord to find a new rental

Other Municipalities Efforts

City	Type	Fees	Frequency
Boulder, CO	License + Inspection	\$105 for license per bldg; private inspection fee (avg. inspection is \$150 for first unit)	Every 4 years, unless ownership changes
Westminster, CO	Registration + License + Inspection	No registration fee; License fees are \$50 per rental property; complaint-based inspection with \$40 fee and income restricted is \$20	Every 4 years for 6 to 20-year-old properties; every 2 years for properties older than 20 years
Federal Heights, CO	Registration + Inspection	Grant for license and inspection; \$90 no show fee	Register & inspection every 4 years
Seattle, WA	Registration + Inspection	\$70 for registering a property, plus \$15 for each additional unit; private inspection + \$40 filing fee or city inspector (\$175 for first unit)	Every 2 years for registration; every 10 years for inspection
Portland, OR	Registration	Registration fee is \$60 per unit	Annual
Baltimore, MD	Registration + License + Inspection	No registration fee; License for 1 & 2 family dwellings: \$30 per unit; MF is \$35 per unit; Residential vacant bldg. \$100; vacant unit \$30; private inspection fee	Registration required annually; inspection good for 2 years first then you can get a 3 year on renewal; license time can be dependent on record



Penalty/Appeals in Municipalities

City	Type	Violations & Penalties	Appeals
Boulder, CO	License + Inspection	Violations by areas of affordability, where the affordable areas are violated more harshly (1 st - \$500, 2 nd - \$750, 3 rd - \$1000) and in other areas (1 st - \$150, 2 nd - \$300, 3 rd - \$1000); can revoke license; Penalty is fine or no more than 90 days in jail	Yes, appeals of city manager's decision within 30 days of issuant
Westminster, CO	Registration+ License + Inspection	If owner fails to correct the violation in a timely manner, the city manager can issue a complaint and summons for prosecution in municipal court or abatement as a nuisance	Yes, can appeal to the Building and Fire Code Appeals Committee; any decision made from the committee can be appealed to District Court
Federal Heights, CO	Registration + License	N/A for grant for license and inspection; \$90 no show fee	N/A
Seattle, WA	Registration +Inspection	\$30 late fee for registration renewal or inspections; Penalty for violations not addressed are \$150 per day for first 10 days then \$500 per day after that; also can escalate to courts	Yes, reduced penalty or appeal process available in program admin process
Portland, OR	Registration	Civil penalties per unit can result from failure to register; registration submitted with their Business License Tax return	No
Baltimore, MD	Registration + License + Inspection	Penalty of no more than \$500 for each offense; can deny, suspend or revoke license	Yes, notice and opportunity for hearing

Annual RHP Complaints

Year	# of complaints to DDPHE for substandard living conditions
2015	1,266 complaints
2016	1,187 complaints
2017	1,006 complaints
2018	1,198 complaints
2019	1,268 complaints

