From:	Joe Stanoch
To:	dencc - City Council
Cc:	Sean Maley; Deborah Wilson; Nancy J. Burke
Subject:	Apartment Association of Metro Denver - Source of Income Ordinance Amendment
Date:	Saturday, August 04, 2018 8:29:16 PM
Attachments:	SOI Amendment.pdf

Council Members,

Please see the message below from Nancy Burke with the Apartment Association of Metro Denver and Deborah Wilson representing the Association regarding a possible amendment (attached) to the proposed source of income ordinance.

Thank you for your attention to the matter and please let us know if you have any questions.

Sincerely,

Joe Stanoch

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Dear Honorable Council Members,

I am writing on behalf of the Apartment Association of Metro Denver with regards to amending the proposed source of income ordinance, scheduled to undergo final consideration during Monday's City Council Meeting.

Specifically, we propose at least $200,000 for a "reserve fund" to which landlords who have accepted the application of a tenant with unconventional income may apply and be granted reimbursement for demonstrable losses incurred during the application, inspection, approval and execution of required documents, including, but not limited to loss of rental income from the time the rental premises are taken off the market until such time as the rental payment commences. The ordinance would not take effect until 60 days after the reserve fund has been fully funded. Additionally, this fund of money shall also be available to landlords who have accepted a tenant with unconventional income and who sustains damages/losses in excess of the security deposit on or after the tenant vacates the rental premises.

As numerous landlords have testified during consideration of this bill, requiring landlords to participate in federal voucher programs and accept unconventional sources of income, adds significant administrative costs and can delay the rental process. Additionally, many unconventional sources of

income, such as a Section 8 tenant's income are normally exempt from collection efforts. While landlords can require a security deposit from any resident, damages on average generally exceed the deposit and this ordinance as written would currently leave landlords with little recourse to recover damages. Given federal Fair Housing Act requirements, landlords cannot charge renters different amounts for a security deposit, nor do we believe dramatically increasing security deposits would help us toward our shared goal of increasing housing affordability in Denver. The proposed fund would help fix these issues and ensure landlords, particularly those with smaller properties, do not face an excessive financial burden from complying with the ordinance.

The fact is, "mom and pop" landlords can simply not afford the $1,300 average administrative cost per unit which goes along with the Section 8 voucher program, or take on the added risk of not being able to recover damages. As you heard during first reading of the bill, many of these landlords are operating on extremely slim profit margins, and any added cost could put them out of business or force them to sell their properties making them no longer affordable.

We also support language stating a landlord shall take a rental property off the market, upon receipt of the security deposit from the tenant and and a landlord is entitled to require and receive payment of the first full month’s rent (from DHA or other unconventional income and the tenant’s portion) on the day of move-in. Additionally, we support allowing a respondent (landlords) 30 days from receipt of the copy of a complaint to provide the Agency of Human Rights & Community Partnership with their response. We believe these are common sense changes to improve the ordinance.

We also ask that the City & County of Denver implement and provide, free of charge, online and in person classes and training to Landlords and Tenants on the Federal HUD Choice voucher program, administered by the Denver Housing Authority, as well as classes and online training on other types of unconventional income such as VASH, CCH, CAP and other valuable affordable housing programs. This education would be particularly useful for landlords who have no familiarity with these complex programs and the many strict requirements which go along with them. If we are mandating landlords into a program which requires a complex contract with the federal government, we ought to offer them the educational assistance they need.

Finally, it has been stated that this ordinance does not require landlords to accept prospective renters with unconventional sources of income. While this may be true when there are multiple applicants to a unit, if in a situation where a Section 8 voucher holder is the only applicant and meets other requirements, a landlord must rent to them. As our landlords have repeatedly stated, those who do not participate in the Section 8 voucher program or do not accept unconventional sources of income, do not do so in any way because of the tenant, but rather because of the added administrative burden and risk from the source of income itself.

Please let us know if you are interested in such an amendment or if we can provide any further information.

Sincerely,

Nancy Burke
Vice President of Government and Community Affairs
Apartment Association of Metro Denver

Deborah Wilson
Attorney at law/Managing Partner
Springman, Braden, Wilson & Pontius, PC
Apartment Association of Metro Denver