



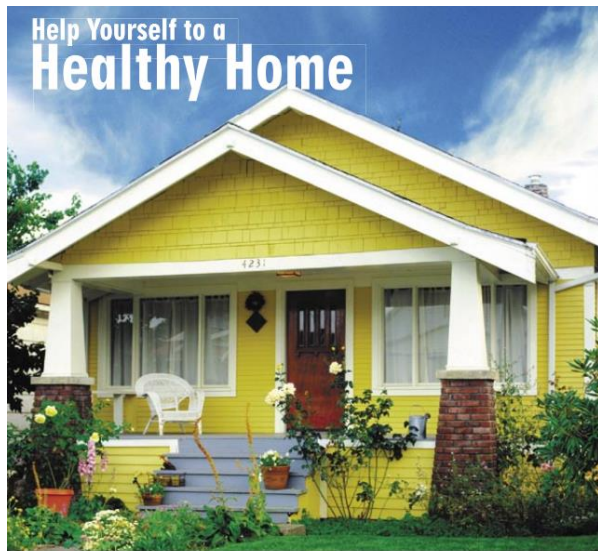
**DENVER**  
THE MILE HIGH CITY

# “Healthy Residential Rentals for All”

## Denver Rental License Policy

Councilwoman Gilmore

# 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

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

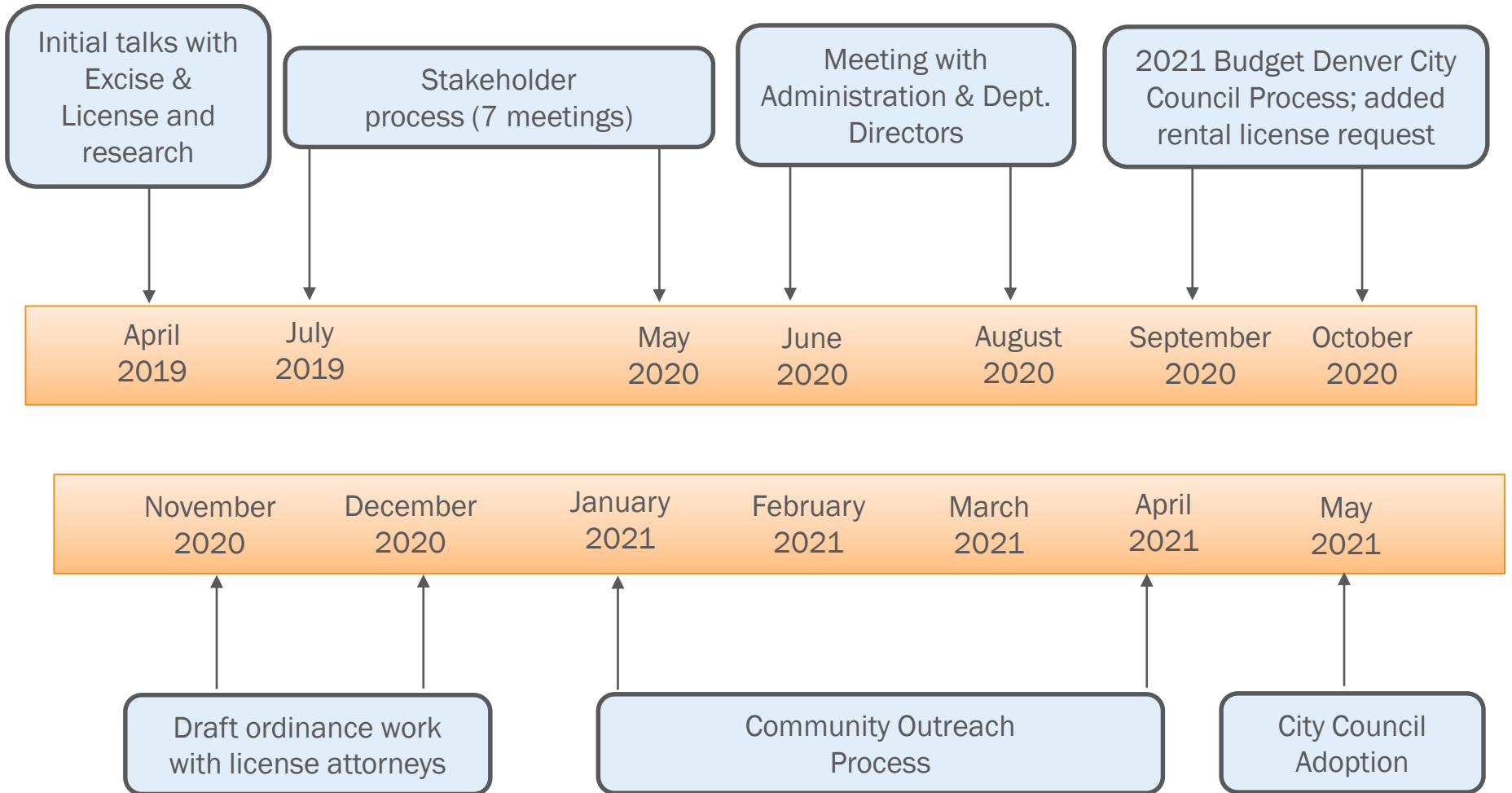
Too many families are forced to choose between a home you can afford, or one that is healthy for your family

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](http://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](#)



## Co-Sponsors

Councilwoman Pro Tem Torres  
Councilwoman Robin Kniech

## Stakeholder Group

Elevation Community Land Trust  
Enterprise Community Partners  
Colorado Coalition for the Homeless  
Healthier Colorado  
City of Boulder  
Denver Excise and License  
Denver Office of Economic Development  
Denver Office of Housing Stability  
Denver Community, Planning & Development  
Denver Dept. of Public Health & Environment  
Denver Office of Climate Action,  
Sustainability & Resiliency



## Outreach Highlights\*

Apartment Association of Metro Denver (3 meetings)  
Denver Metro Association of Realtors (52 attendees)  
Neighborhood Development Collaborative (11 non-profits)  
INC ZAP (52 attendees)  
Anti-Displacement Denver Network (36 attendees)  
Renter's Roundtable (23 attendees)  
Montbello 20/20 (21 attendees)  
Denver Housing Authority  
GES Coalition  
Ross Management  
Alden Brown and Co  
Cornerstone  
Red Peak  
Mercy Housing  
Northeast Denver Housing Center  
West Denver Renaissance Collaborative  
Servicios de la Raza  
Colorado Legal Services  
InterNACHI  
Master Certified Inspector

\*Comprehensive outreach listed in Appendix on slide 24

# 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 Health 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



- Owner shall provide a copy of an executed written lease to the tenant within 7 days for all new tenancies exceeding 30 days
- Owner shall provide tenants with a notice of “Tenant Rights and Resources”
- Owner shall provide “Tenant Rights and Resources” to any tenant along with any rent demand posted

# 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%
<b>Total</b>	<b>519,838 units/properties</b>	<b>54,113 total with 6,600 apartment parcels</b>	<b>~37% of Denver housing stock are rentals</b>





- 
- 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
- ADU

# 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
<b>Application Fee*</b>	<ul style="list-style-type: none"> <li>\$25</li> <li>Reduced by 50% for all rentals during early licensing phase</li> </ul>	<ul style="list-style-type: none"> <li>\$50 for Phase 2 required rentals</li> <li>\$25 for early license opt in for single rental unit on a parcel</li> </ul>	<ul style="list-style-type: none"> <li>\$50 for all rentals</li> </ul>

\*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
<b>License Fee*</b>	\$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>
<b>Total Cost</b>	<b>\$75</b>
<i>Approx. \$1.56 per month*</i>	



## Apartment High Rise with 200 units

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



## Apartment Complex with 200 units

Application	\$50
<u>License</u>	<u>\$350</u>
<b>Total Cost</b>	<b>\$400</b>
<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 10% of the units inspected at random

<10 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

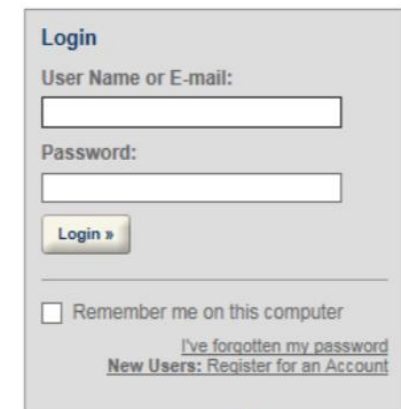
- The current DDPHE Residential Health Program will continue to address all complaint-based cases, even after the license requirement is in place
- Of those reported, DDPHE receives about 1200 annual complaints for issues such as mold, heating, water, ventilation, and other health and safety concerns



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

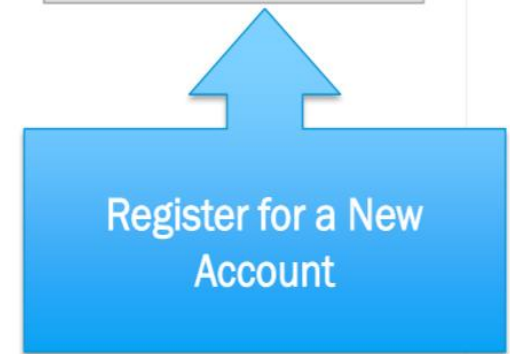
## Application would require basic information:

- 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
- Income restricted rentals owned, leased or operated by a 501c3 tax exempt organization
- Affordable housing rental projects where 80% of the units are income restricted

*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

Accela Software	\$318,718
Public Affairs Coordinator	\$46,693
Outreach	\$20,000
License Techs	\$48,750
	<hr/>
	\$434,161

Funds were approved in the 2021 budget council asks for \$391,800 by the Mayor and would be released once ordinance is passed

During our outreach efforts, funds for education was a priority so we have increased those funds for 2021. The software costs also have increased slightly since the budget process.

## Upcoming Virtual Community Meetings

Thursday, April 22 at 5:30pm  
Saturday, April 24 at 10:00am

To register and for more information, visit  
<https://denvergov.org/longtermrental>

# Questions?



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# Appendix

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

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	<b>Working group meeting:</b> Boulder presented their Rental License program
8/16/19	Substandard living conditions at single family rental in Green Valley Ranch
9/25/19	<b>Working group meeting:</b> Rental vs. licensure discussion
10/21/19	<b>Working group meeting:</b> Single-family rental properties data
11/13/19	<b>Working group meeting:</b> DDPHE Feasibility study on energy efficiency
1/15/20	Meeting with CPD to explore where the program could live
1/22/20	<b>Working group meeting:</b> Follow up with Boulder's program
Feb/Mar '20	Research on inspection process and options & COVID-19
4/1/20	<b>Working group meeting:</b> Inspection process feedback & discussion
5/4/20	<b>Working group meeting:</b> 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	<b>Working group meeting:</b> Presented updated, phased approach program
Nov/Dec '20	Worked on draft ordinance with city Excise & License attorneys
1/27/21	<b>Working group meeting:</b> Updated presentation & feedback
1/28/21	Present to Budget & Policy City Council committee





# Appendix – Outreach Efforts

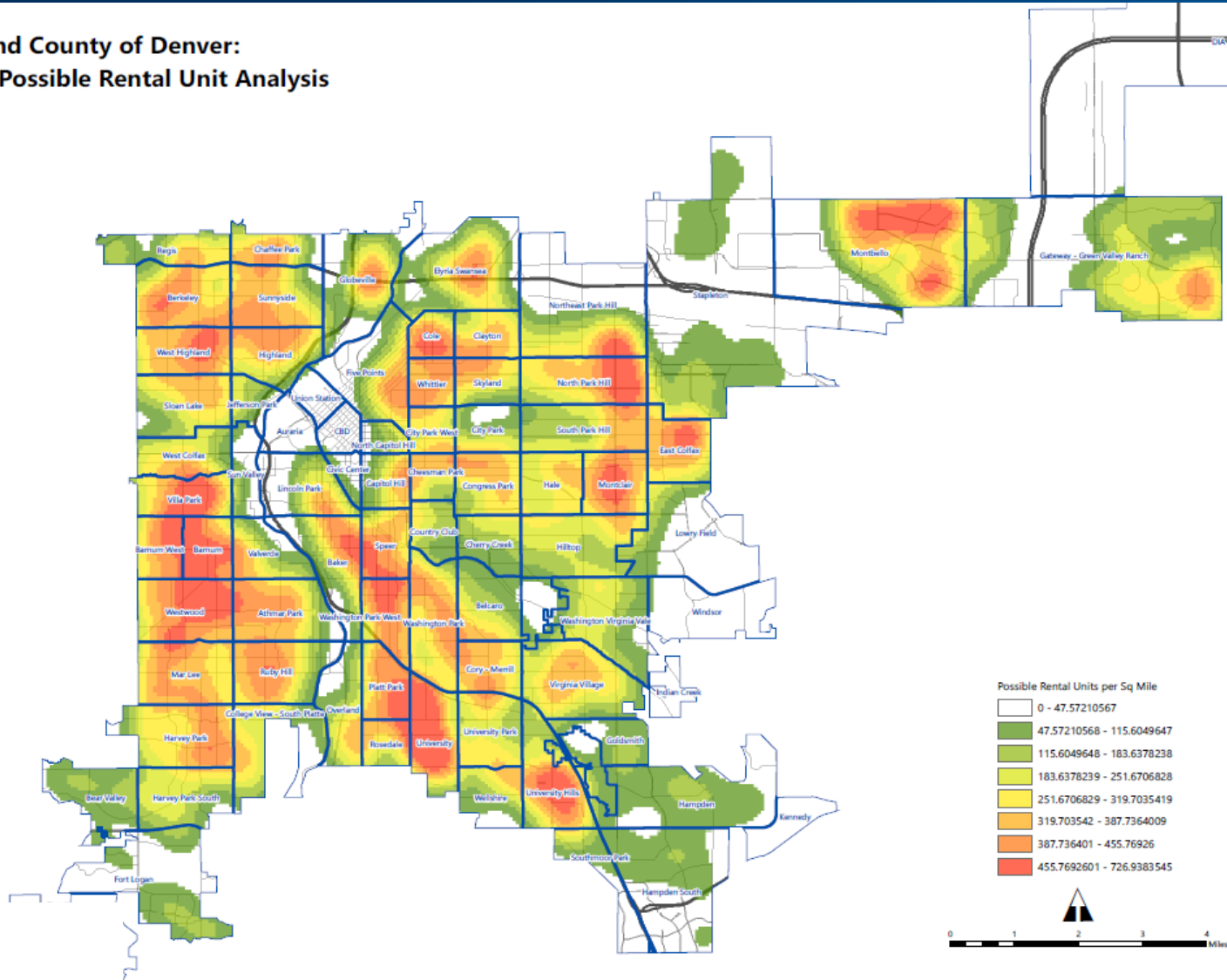
Organization Name	Organization Name
Apartment Association of Metro Denver (3 meetings)	Kentwood Real Estate - Distinct Real Estate
Ross Management Group	Compass
Apartment Investment and Management Co	Metro Brokers
Greystar	Heter and Company, Inc.
Cornerstone Apartment Services, Inc.	LUX. Denver
RedPeak Properties	Berkshire Hathaway HomeServices Innovative Real Estate
Alden Brown and Company LLC	Century 21
TOD Properties LLC	Zadel and Associates Realty Inc.
Four Mile Capital	The Ridgewood Company, LLC
RD3	International Association of Certified Home Inspectors
Springman, Braden, Wilson & Ponitus Law Firm	Master Certified Home Inspector
Milgrom & Daskam Law Firm	<b>Inter-Neighborhood Collaboration (INC) (52 attendees)</b>
Luczak Real Estate	<b>Anti-Displacement Denver Policy Network (36 attendees)</b>
Lyons Realty Group, LLC	Servicios de la Raza
<b>Denver Metro Association of Realtors (52 attendees)</b>	Urban Land Conservancy
RE/MAX Alliance	Colorado Legal Services
Keller Williams	West Denver Renaissance Collaborative
Colorado Realty Pros	University of Colorado Denver
Madison & Company Properties	GES Coalition



# Appendix – Outreach Efforts

Organization Name	Organization Name
<b>Neighborhood Development Collaborative (11 non-profits attending)</b>	Colorado Poverty Law Project
Denver Housing Authority (DHA)	Center for Health Progress
Del Norte	Center for Work, Education and Employment
Habitat for Humanity of Metro Denver	Mile High Connects
Rocky Mountain Communities	The Denver Foundation
Mental Health Center of Denver	COVID-19 Eviction Defense Project
Archway Housing & Services	Colorado Cross-Disability Coalition
Cappelli Consulting	DRCOG
Colorado Housing Assistance Corporation	Healthier Colorado
Community Resource and Housing Development Corporation CRHDC	Mile High United Way
DURA	Colorado Coalition of Manufactured Homeowners
NEWSWED	<b>House District 7 Meeting</b>
<b>Renters’ Roundtable (23 attendees)</b>	<b>Montbello 20/20 (21 attendees)</b>
Colorado Center on Law and Policy	<b>District 11 Community Cabinet (15 attendees)</b>
Colorado Legal Services	Urban Peak
East Colfax Community Collective	National Association of Real Estate Brokers (NAREB)
B Konnected	Northeast Denver Housing Center
Be well Health & Wellness Initiative	Atlantis Community Inc
Colorado 9 to 5	Mercy Housing

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



## 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 <sup>st</sup> - \$500, 2 <sup>nd</sup> - \$750, 3 <sup>rd</sup> - \$1000) and in other areas (1 <sup>st</sup> - \$150, 2 <sup>nd</sup> - \$300, 3 <sup>rd</sup> - \$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 Residential Health Program 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

