



Legislation Text

File #: 22-1585, Version: 1

Other/Miscellaneous Request Template (Appointments; ROW; Code Changes; Zoning Action, etc.)

Date Submitted: 11-28-2022

**Requesting Agency: Excise and License
Division:**

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A bill for an ordinance amending Article II of Chapter 32 (License Fees) and Article VIII of Chapter 27 (Licensing of Residential Rental Property) clarifying licensing fees and advertisement requirements. Amends Article II of Chapter 32 (License Fees) and Article VIII of Chapter 27 (Licensing of Residential Rental Property) of the Denver Revised Municipal Code to clarify licensing fees and advertisement requirements. The Committee approved filing this item at its meeting on 11-30-2022.

Affected Council District(s) or citywide? Citywide

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

Last year, [Councilwoman Gilmore sponsored legislation](https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Denver-City-Council/Meet-the-Council-Members/Stacie-Gilmore-Council) <<https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Denver-City-Council/Meet-the-Council-Members/Stacie-Gilmore-Council>> to establish the [Residential Rental Licensing Program](https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Business-Licensing/Business-Licenses/Residential-rental-property) <<https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Business-Licensing/Business-Licenses/Residential-rental-property>> in Denver. With the first phase of required licensure beginning on January 1, 2023, Excise and Licenses has been working diligently to prepare for the new license requirements. As part of this work, we have been conducting robust community education and outreach, hiring additional staff, and building the technology necessary to administer the license. In doing so, we've been answering questions from applicants about the bill language and have identified a few places in the legislation where improvements can be made to clarify and operationalize the original bill's intent.

The bill contains **four** changes:

1. **Clarifying the fee term - page 1, line 20**
 - This change updates the language in DRMC 32-105(a)(2), which currently sets a license fee “per year.” The bill swaps the phrase “per year” for “per license term” to align language with the intent that this license is valid for a term of four years. This was likely a scrivener’s error in the original bill.
2. **Clarifying fee waiver requirements - page 1, line 26 through page 2, line 10**
 - This change updates the language that provides for license fee waivers for affordable housing in DRMC 32-105(b) (3). As written, there are two exemptions in this one provision - one for affordable housing properties, and one for properties that provide low income housing for at least 80% of their tenants. This bill separates the two provisions for clarity.
 - In addition, the language currently used for the second exemption could be read in two ways. The attached draft clarifies the proper reading of the second exemption so it can only be read as the intended when the bill was passed.
3. **Adding a license number posting requirement - page 2, lines 25-30**
 - This bill inserts a requirement to have licensees post their license number on any advertisements for their property. As a general practice, EXL requires all licensees to post their license in a place visible to the public. However, as with short-term rentals, the online marketplace for renting requires a different approach to this practice. The advertisement requirement in this draft mirrors the one we have in place for short-term rentals, which are also predominantly advertised online.
 - Addition of this requirement provides a soft first touch to provide outreach and education to landlords and an easy-to-communicate, proven way to increase compliance - this same requirement helped the short-term rental license program achieve a high compliance rate without being overly punitive to licensees.
4. **Clarifying the timeframe for inspection completion - page 2, line 32 through page 3, line 5**
 - The current language creates unnecessary limits for when an applicant may submit an inspection or reinspection verification. At the time the bill was passed, we did not anticipate applicants submitting applications where they were required to be reinspected. In practice, we are seeing applicants who are submitting applications while on a path to compliance. In order to encourage this voluntary compliance and align the practices in RRP with those for all of our other licenses, the language in the attached draft clarifies that the 90-day timeline applies only to the age of an initial verification; any additional verification or reinspection may be submitted at any point during the year after initial application.

These changes do not substantively change the nature of the program; rather, they ensure that the Department is able to efficiently operationalize the license, provide excellent and consistent customer service, and ensure enforcement in a manner consistent with legislative intent.

Address/Location (if applicable):

Legal Description (if applicable):

Denver Revised Municipal Code (D.R.M.C.) Citation (if applicable):

Draft Bill Attached?