Councilwoman Stacie Gilmore's Report out on

Rental Registry/License Next Steps

Housing and Homelessness Working Group

Monday, October 21st from 2:00 – 3:30pm

Current Stakeholder Group Led by Councilwoman Stacie Gilmore

- DDPHE   Julie Saporito
- DEDO   Melissa Thate
- EXL   Molly Duplechian
- CPD   Andrew Webb
- NEST   Irene Aguilar/Sylvia Smith
- Legislative Analyst   Emily Lapel
- Colorado Coalition   Aubrey Hasvold
- Elevation Community Land Trust   Tiana Patterson
- Enterprise Community Partners   Katie McKenna

Why a rental registry or license program?

- Rental registration and licensing programs are tools that several municipalities are using to strengthen tenants' rights within their communities and protect tenants from exploitative landlords.
- In strained housing markets these can be used as tools by municipalities to increase the standard of living.
- Estimated that 49.9% of homes and multi-family units in Denver are rentals according to US Census data found at American Fact Finder.
- Registry and license program would benefit Denver tenants and landlords with a focus on affordability, safety and an improved housing stock while incorporating climate impacts and energy conservation.[i]

Exploring a rental license vs. rental registry

- Rental registry has limited enforceability and may not solve the root issue; it is more geared toward data tracking.
- Rental license has more teeth for enforcement.
- A rental license requires rental properties to meet essential health and safety requirements and can enforce it with fees to ensure safety and habitability.

- STR registration requires the property owner secure a business license, pay appropriate taxes, have insurance, operable smoke detector, carbon monoxide detector and fire extinguisher.

Conversation with Boulder's Rental License Program, Tonia Pringle

- Their license lasts 4-years unless ownership is transferred and has a $105 fee per building.
- Rental license was established in the 1970s.
- Community input varied across the years during the program's evolution, but they have focused a lot on education and have kept up community stakeholders' groups when short-term rentals, ADU and Co-op Housing came up as well.
- They include Smart Regs (adopted in 2010) into their license which includes baseline energy efficiency requirements for buildings.
- They have not addressed single family homes being rented through this program.

Research around single-family homes rental properties

- We are currently working through a sampling of housing addresses from CPD and comparing them to the Assessor Office property ownership information to estimate how many single-family homes in an area are being rented vs. owner-occupied.
- We need to analyze this data to see if single-family homes are an added opportunity we should focus on as well for habitability and safety in this process.

Peer City Research (see comparison table on memo)

- Milwaukee, WI
  - Charges a fee and a 1.6% training and tech charge on top =$40.64
- Boulder, CO
  - Charges $105 per building, $250 inspection by licensed third-party inspectors. Re-up every 4 years.
- Westminster, CO
  - Doesn't inspect any property less than 6 years old; compliant basis only.
- Sacramento, CA
  - Does annual fees and has a "Resident Rights" form that a property owner must provide to new tenants. $127/new unit.
- Baltimore, MD
  - Fees on vacant properties and lots as well.

Best Practices

- o All the peer cities examined housed their license or registry program in their equivalent agency to our Community Planning and Development.
- o Most have actual inspections done by certified inspectors (whether city or private) and are not just compliant based.
- o To give enforcement more teeth most cities adopt a fine scale that increases as the time between request for compliance and action increases.
- o When the program is launched cities gave typically a year for property owners to gain compliance before enforcement.

Still Looking Into

- o Landlords may pass off the costs of registration and license fees to their tenants exacerbating affordability issues.
    - o We are looking into peer cities that schedule their fees before a new tenant occupies the property to avoid it being include in the tenant's rent.
- o Researching Seattle to get a sense of timeline – it took 5 years for their program to get implemented.
- o Exploring the need for renter rights education as a pillar
- o Researching further into vacant lots & property fees or registry
- o We are looking into how many other options we already have to regulate this as a city – fire code, building code, etc.

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[i] Feasibility Study: Implementation of a Rental Licensing Program with Minimum Efficiency Standards for Residential Rental Properties in Denver. Prepared by Julie Saporito, Program Administrator – DPHE, Climate Action Team