



THE HONORABLE
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City and County of Denver
CITY COUNCIL

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Residential Rental License Advisory Group (RRLAG) Feedback and Recommendations

Purpose of RRLAG

On May 3, 2021, the Denver City Council passed a new ordinance called “Healthy Residential Rentals for All” requiring a Residential Rental Property license for any person to offer, provide, or operate a residential rental property in the City and County of Denver. As part of this policy, private, certified inspectors would be utilized to perform proactive rental license inspections based on the Denver Chapter 27 Minimum Housing Standards and the corresponding rules and regulations. A property owner or operator is required to pass the inspection to obtain a Residential Rental Property license.

Based on the feedback received during the public engagement phase of this policy, the Residential Rental License Advisory Group (RRLAG) was convened to provide input to the City and County of Denver regarding a rental license inspection checklist and operational processes needed to implement the Residential Rental License Program. The group served in this capacity to provide feedback around a rental license checklist based on Denver’s minimum housing standards including identifying potential barriers, solutions, and recommendations. The adoption of any final rules, regulations or administrative materials and procedures is a joint responsibility of Department of Excise and Licenses (EXL), Department of Public Health and Environment (DDPHE) and other appropriate agencies.

Advisory Group Membership

The RRLAG was hosted by Council President Stacie Gilmore and the District 11 Council Office and consisted of stakeholders with diverse backgrounds in the inspection industry, rental property industry, rental ownership business, nonprofit sector as well as tenants and community members.

Andrew Sams, Alpine Building Performance LLC
Ann Tonsing/Robert Tonsing, Small Rental Property Owner
Aubrey Hasvold, Colorado Coalition for the Homeless
Carma Wilkinson, Tenant
Chad Gentry, Small Rental Property Owner
Chris Scott, Scott Home Inspections LLC
Drew Hamrick, Apartment Association of Metro Denver

Jack Regenbogen, Colorado Law and Policy Center
Jonathan Cappelli/Mary Coddington, Neighborhood Development Collaborative
Katie McDonald, Small Rental Property Owner
Katie McKenna/Kinsey Hasstedt, Enterprise Community Partners
Michael Craig, Small Rental Property Owner
Michael Ruddock, Healthier Colorado
Mitchell Weldon, Tenant
Nick Gromicko, InterNACHI Association
Peter Wall, Denver Metro Association of Realtors
Susan Fry, Small Rental Property Owner
Tom Sprung, Historic Denver

RRLAG Process

The RRLAG met every two weeks from July to September 2021 on Zoom to allow for easy accessibility for members and the public. The meetings were also recorded and posted on the Excise and License Residential Rental License website. RRLAG meetings were also open to the public and time was reserved at the end of each RRLAG meeting for public comment.

The RRLAG met on the following dates:

Friday, July 9	9:30 – 11:00am
Tuesday, July 20	4:30 – 6:00pm
Tuesday, Aug. 3	4:30 – 6:00pm
Tuesday, Aug. 17	4:30 – 6:00pm
Tuesday, Aug. 31	4:30 – 6:00pm
Tuesday, Sept. 14	4:30 – 6:00pm

The RRLAG reviewed and discussed an array of topics and presentations including:

- Presentation by the Denver Department of Public Health and Environment (DDPHE) on the City and County of Denver’s existing rules, regulations, and ordinances governing the Chapter 27 Minimum Housing Standards and imminent health hazards and the DDPHE inspection process;
- Presentation by the Office of Social Equity and Innovation on understanding the use of an equity framework during this process;
- Presentation by the City of Boulder regarding their Rental License program and rental license inspection checklist; and
- In-depth review into the compliance requirements of Denver’s Chapter 27 Minimum Housing Standards.

RRLAG Equity Framework

At the July 20 RRLAG meeting, the Office of Social Equity and Innovation assisted the advisory group in understanding the foundation work and also shared City Council’s equity framework as a template for this group’s work to form a set of questions to focus on equity throughout this process. The advisory group recognized that the rental property industry has a disproportionate underrepresentation from

members of the BIPOC community. Nevertheless, efforts were made to include other culturally diverse populations and our nonprofit partners. The group adopted City Council’s equity framework:

1. Are all historically disadvantaged groups who are affected by the decision we are making currently represented in this process including those who have been historically oppressed because of their race, gender, sexual orientation, class, disability, immigration status and age? Have we heard the voices of those who are affected?
2. How will the proposed decision affect each group?
3. How will the proposed decision be perceived by each group?
4. Does the decision advance racial equity or mitigate unintended consequences?

RRLAG Feedback, Barriers Identified and Recommendations

Inspector Training Recommendations

At the RRLAG August 17 meeting, the advisory group heard a presentation from the City of Boulder and their rental license program. Consistent trainings and check ins with the inspector were considered a best practice by RRLAG.

1. The City should offer regular training sessions/informational sessions for rental license inspectors to help create consistency and complete understanding of the rental license inspection checklist and process. These training sessions should evolve after the phased periods into at least quarterly check in meetings with inspectors to discuss challenges, new codes, compliance, etc.
2. Rental license inspectors and inspection companies involved in this program should be encouraged to take anti-bias training and provided those opportunities through the City. Opportunities for this training should be flexible to accommodate inspectors’ schedules, including virtual options and multiple training sessions offered annually.

Program Implementation Recommendations

Additionally at the August 17 meeting, RRLAG agreed that program feedback and communication between inspectors and the City is incredibly important for standardization.

1. The City should conduct regular surveys for involved parties such as rental license inspectors, landlords, property owners and tenants to evaluate trends and help implement this program smoothly across the city as well as utilize surveys for feedback regarding changes to the program.

2. The rental license inspection checklist should be evaluated on an annual basis for necessary code updates and there should be ongoing communication between the various city agencies regarding code updates and notifying the public of changes.

Rental License Inspection Checklist Recommendations

The RRLAG was a very diverse group of stakeholders, and it was not surprising that the group had differing opinions when it came to the extent that the Denver Chapter 27 Minimum Housing Standards and the corresponding rules and regulations that determine compliance should be utilized in the rental license checklist.

Some RRLAG members felt strongly about these being existing *minimum* standards and compliance regulations staying intact as it was specifically designed to ensure units meet minimum standards that support tenants' health and safety and acknowledging that changing the minimum standards was not in the authority of the advisory group. Other members felt strongly that full compliance with Chapter 27 would be too restrictive and wouldn't allow sufficient flexibility for particularly older rental properties to pass a proactive inspection checklist but agreed health and safety should be emphasized in each compliance section. Feasibility for an older rental property to come into Denver's current compliance standards was the most common concern.

In addition, there was input from several inspectors on the advisory group that Denver's minimum housing standards has more specific compliance regulations than Boulder's, but they did not believe Denver's to be overly burdensome on private inspectors performing them in a timely manner. It was noted to be mindful of the tools or instruments required for inspectors to be able to do a proactive rental license inspection with these minimum standards.

The RRLAG was not able to unanimously agree on recommendations around the extent to which the totality of the minimum housing standards is utilized on the checklist. However, there were suggestions around the City being flexible in terms of feasibility and timing it may take for some rental property owners to come into compliance, provided property owners are actively working to address any issues. It was also recognized that property owners, particularly those of single-family and older units, will have the benefit of the program's phasing to come into compliance.

Barriers & Potential Recommendations

RRLAG members have identified barriers and potential recommendations based on the current Denver code compliance:

#1. Barrier Identified: The checklist refers to Denver DRMC Chapter 27 rules and regulations that are not on their own easily accessible or understandable for all parties including inspectors, tenants, and property owners.

- **Recommendation:** The City should create a handbook or guide that has the detailed compliance sections both for rental license inspectors and the public, so tenants and property owners can review and gain a deeper knowledge of the Denver minimum housing standards.
- **Recommendation:** The handbook should be in simple terms and translated into Spanish for additional language accessibility.
- **Recommendation:** Under “Utilities” section, the City should provide clear language and examples to help guide what the code is saying and what is expected of property owner for their rental(s). This should include that the “Utilities” section is referring to affirmative action by owner or operator.

#2. Barrier Identified: Rental license inspectors need a way to inspect heating systems that may not be on during the time of inspection due to seasonal need.

- **Recommendation:** For the “Heating and Water Heating Facilities” section, rental license inspectors should look at the State of Colorado certifications for multi-family complexes with common heaters and boilers to confirm that they are being maintained especially during the warmer months when heaters are not being utilized. It was noted for small rental properties without common heaters and boilers, it would be more difficult for inspectors to determine if it is operational outside the season it is typically used.

#3. Barrier Identified: Some rentals, especially older rentals, may have more feasibility and cost issues to come into compliance in a timely manner with the Denver Minimum Housing Standards if upgrades or repairs are required.

- **Recommendation:** The City should create a community resource document that shares programs that help property owners with low-cost or low-interest loans for repairs and upgrades to be able to come into compliance with Denver’s minimum housing standards.
- **Recommendation:** The Department of Excise and License should work with the landlords and property owners to provide flexible time to make repairs and updates to encourage compliance and licensing.

#4. Barrier Identified: Under the “Insect, Rodent and Animal Control” 2-215B section, the compliance section for screens may particularly impact Denver’s older rental stock as they are more likely to need to install screens.

- **Recommendations:** The City should include in the handbook what an “appropriate screen” is defined as to provide landlords and property owners with economical options.

- **Recommendations:** Denver residents are heavily reliant on ventilation through screened windows to keep cool. With climate change and rising temperatures, the City should also reach out to the Office Climate Action, Sustainability and Resiliency (CASR) to help residents with energy efficient options to cool a dwelling unit as this is becoming more essential.

#5. Barrier Identified: The “Electrical Requirement, Fixtures and Prohibitions” section may particularly impact Denver’s older rentals in terms of cost and feasibility if electrical upgrading is needed, especially with today’s necessity for larger electrical capacity.

- **Recommendations:** With a proactive checklist and inspection process, the City should state clearly what the requirements are for landlords and property owners in terms of electrical requirement that can be inspected tangibly by inspectors. DDPHE’s Residential Health Program are looking for the issues identified specifically by the tenant, but with a proactive inspection, they will be using equipment and determining compliance through visual indications.

#6. Barrier Identified: The “Egress” section may particularly impact older Denver rentals in terms of feasibility and costly upgrades to comply. Additionally, some of the RRLAG group discussed that having two routes of egress was fundamental to a tenant’s safety.

- **Recommendation:** The City should clearly define the dwelling unit situation that would require an additional egress option in the checklist and handbook so landlords and property owners understand when an additional egress window would be required to comply with Denver Minimum Housing Standards.
- **Recommendation:** Egress should be included in the community resources document to help with low cost and/or low-interest upgrades.
- **Recommendation:** The City should work with landlords and property owners and provide extensions when requested if egress upgrades are needed to get licensed, and owners are actively working on those upgrades.

#7. Barrier Identified: The “Stairways” section may particularly impact older Denver rentals in terms of feasibility and costly upgrades to comply. Additionally, some of the RRLAG group identified the 6’6” headroom rule as a standard that Denver’s older rental stock that would be challenging to meet.

- **Recommendation:** Stairways should be included in the community resources document to help with low cost and/or low-interest upgrades.

- **Recommendation:** The City should work with landlords and property owners and provide extensions when requested if stairways upgrades are needed to get licensed, and owners are actively working on those upgrades.

Next Steps

This RRLAG Feedback and Recommendations document will be shared with the Director of Excise and License Department and the Manager of Department of Public Health and Environment to help inform their decision-making process to structure and finalize the rental license checklist before the early licensing phase begins. There will also be communications and other information coming from the Excise and License Department between October 2021 and March 2022 to inform applicants of the inspection requirements and other necessary application requirements.

Acknowledgements

On behalf of Council President Stacie Gilmore and City Council District 11 Office, thank you to all the advisory group members who served on the Residential Rental License Advisory Group. The task to launch a new policy, and now the largest license program in Denver has benefited greatly from your feedback and has been incredibly valuable to City agencies responsible in setting up and implementing this rental license program. We appreciate your passion, dedication, and discussion throughout this process! A big thank you to our City agency representatives who provided their expertise and knowledge that significantly supported our advisory group process!