



Rental Registration and Inspection Program Discussion

August 14, 2023

Background

- Currently, the City does not have a registration or inspection program for rental units.
 - Approximately 25% of Commerce City's residents live in renter-occupied housing.
 - Commerce City has roughly 4,500 rental units.



Benefits of Rental Registration

Tenant Benefits	Landlord Benefits	Community Benefits
<ul style="list-style-type: none">• Protects residents' health and safety.• Reduces housing inequities by ensuring that housing is kept up to code for all tenants, regardless of background.	<ul style="list-style-type: none">• Prevents more serious maintenance issues by identifying problems early during regularly scheduled inspections.• Preserves property values and improves relationships with tenants.	<ul style="list-style-type: none">• Preserves the City's tax base by keeping property values high.• Allows the City to better understand community housing needs and tailor solutions.• Builds community trust by demonstrating commitment to residents' wellbeing.

Standards for Rental Property Registration

- All property owners with rental units in **3+ unit** buildings will be required to enroll their properties and apply for a rental license.
- Property owners will provide a list of rental units, types of units, and the age of units.
- Rental licenses will be valid for four years and are non-transferrable.



Rental License Renewal

- License renewals will be required to be submitted to the City 30-days prior to the expiration.
- A landlord whose license renewal application is not timely may not continue to operate beyond the expiration date of the license.
 - Tenant assistance discussed on a later slide.



Inspections

- An inspection will be conducted upon registration.
 - If a unit fails inspection, another inspection must occur before the property owner can obtain a rental license.
- All rental units will be inspected.
- A minimum of 10% of units will be reinspected at the time of license renewal.
- A newly constructed rental property will be exempt **if** a complete application is accepted by the City within four years of issuance of the Certificate of Occupancy.
 - Tenants can request an inspection.
- Staff anticipates conducting 3,200 inspections in the program's first year.



Inspection Requirements

- Rental properties must comply with 49 property requirements, including ventilation, occupancy, plumbing, mechanical, electrical, and fire safety standards.
- If a violation is found, the property owner will be issued a notice of noncompliance with a correction period of 7-60 days.
- From the program launch on March 1, 2024, staff will need one year to license and inspect all rental units.
 - Rental properties must be compliant by March 1, 2025.



Staffing Budget

- If inspections are conducted with in-house staff, the program will consist of one Program Supervisor, two Code Inspectors and one Administrative Specialist.
 - Will be able to inspect and license 7,342 units per year.
 - Could inspect all rental properties with no additional staff.
- The total cost of the four full-time employees will be \$434,073 per year.
 - Accounts for benefits, vehicles, operating equipment, and supplies.



Recommended Fees

- For this program to be self funded, the City will need to collect \$217.04 annually from each rental unit.
- Staff recommends a licensing fee of \$600 per unit and a \$167.59 inspection fee per unit.
- Over four years, the cost per unit for a property owner who passes their inspection the first time will be \$191.90 annually, or ~\$16 per month.
- Should Council wish to require all rental units within the City to participate in this program, the annual cost to an owner who passes their inspection the first time would be \$79.04, or ~\$6.59 per month.



Warranty of Habitability

- If a unit is deemed uninhabitable, the landlord must provide the tenant a hotel room of comparable quality to the tenant's dwelling unit at no expense or cost to the tenant.
- The landlord shall either provide the tenant moving services or reimburse the tenant for reasonable moving expenses up to the value of one-month's rent within 30 days of relocation.
- A tenant will continue to be responsible for payment of rent under the lease during the relocation period and for the remainder of the term.



Enforcement

- Penalties for failure to comply include fines ranging from \$100 to \$999, civil penalties, and, upon several repeated instances of noncompliance, suspension or revocation of their rental license(s).
- Staff intends to partner with property owners to achieve voluntary compliance.
- Retaliation by a landlord or their agent against a renter for reporting a suspected violation is strictly prohibited.



Discussion

