

Power to investigate landlords expanded

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Colorado municipal leaders will soon be able to temporarily take control of chronically dilapidated apartment buildings under new legislation signed into law last week that was inspired by a now-infamous group of properties in Denver and Aurora.

Senate Bill 20 gives cities and counties explicit authority to pursue civil actions — like fines or lawsuits — to enforce the state's tenant and safe-housing laws that regulate security deposits, apartment conditions, rental applications and mobile home parks. Those provisions were already enforceable by the attorney general, while individual local governments had their own housing codes.

The law also allows those authorities — as well as the Colorado Attorney General's Office — to ask a court to temporarily give control of rundown buildings to a third-party caretaker so the property can be restored to suitable condition.

Gov. Jared Polis signed SB-20 into law Wednesday. Most of its provisions go into effect in August. Others — allowing actions related to bed bugs and sexual and domestic misconduct — go into effect Jan. 1. The AG's office will also be empowered to bring actions related to those issues starting on New Year's Day. *

"This law will hold negligent landlords accountable when they illegally ignore dangerous living conditions," Rep. Javier Mabrey, a Denver Democrat, said in a statement. He sponsored the bill with fellow Democrats Rep. Mandy Lindsay and Sens. Mike Weissman and Julie Gonzales. "By giving the attorney general, counties and municipalities more authority to enforce tenant protection laws, Colorado renters will have more advocates in their corner to fight for safe housing."

The law was directly inspired by CBZ Management and the two brothers who controlled it and a collection of chronically dilapidated buildings in Aurora and Denver. For years, tenants had complained about the properties' lack of heat and hot water, their chronic roach infestations and faulty appliances.

Officials in both cities repeatedly dinged the company for its persistently unsafe conditions, but little more was done until August, when Aurora ordered the closure of one of the buildings. The properties' owners, Shmaryahu and Zev Baumgarten, blamed the chronic deficiencies at their Aurora buildings on Venezuelan gangs, which had more recently established themselves in some of the Aurora buildings. Nine months later, all of CBZ's Aurora properties have been closed or moved out of the company's control, either through city action or because the Baumgartens failed to pay their creditors. Another property in Denver was also closed — and moved into receivership — earlier this year because it was deemed unsafe.

Aurora Mayor Mike Coffman testified in favor of the bill in February and referred to the Baumgartens as "out-of-state slumlords."

Had SB 20 been in place last year, "we would've been able to step in, ask for a receivership to come in and provide these necessary resources to help (CBZ's tenants) live in a safe and habitable place and grow and prosper," Joshua King, the Aurora official who oversees code enforcement, added.

All four of the bill's sponsors hail from Denver and Aurora, where CBZ's properties were primarily concentrated.

Under the new law, cities, counties and the AG must ask a court to appoint a third-party receiver when a landlord has shown a "pattern of neglect." The law specifically spells out heating problems, pest infestations and filthy conditions as among the issues that could require a court's intervention.

While in receivership, the court-appointed caretaker would use rental payments to repair the building's condition and restore the property. A landlord could ask a court to end the receivership after three months. *

The law marks the second straight year that lawmakers have tightened oversight of housing conditions because of specific landlords. ↓

Last year, Gonzales and Lindsay sponsored another bill that required landlords to more quickly fix problems and made it easier for tenants to raise concerns. That bill was inspired by concerns at the Felix building in Denver, as well as by issues with CBZ.

That law also allowed the attorney general to investigate unsafe housing conditions — a power that Attorney General Phil Weiser's office has since used to begin investigating CBZ and the Baumgartens.