

SUBSTITUTE NO. 2 TO ORDINANCE NO. 21-008

AN ORDINANCE TO AMEND CHAPTER 5 OF THE CITY CODE TO REQUIRE DETAILED OWNER INFORMATION ON APPLICATIONS FOR A BUSINESS LICENSE TO OPERATE A RESIDENTIAL RENTAL PROPERTY

**Rev. 2
#0022**

Sponsor:

**Council
Member
Darby**

WHEREAS, a purpose of this legislation is to promote safe and healthy housing for Wilmington residents who rent, through effective enforcement of the City Code; and

WHEREAS, City Council believes effective communication with rental property owners is essential to ensuring that all rental units in the City of Wilmington meet applicable housing codes; and

WHEREAS, City Council believes that current licensing requirements have not included adequate ownership information to support effective communication with rental property owners, especially those that violate provisions of the City Code; and

WHEREAS, City Council deems it necessary and proper to authorize the Department of Licenses and Inspections to require additional ownership information as part of the licensing requirements of Chapter 5, Sec. 5-92. - Rental dwelling units; and

WHEREAS, City Council deems it necessary and proper to amend Chapter 5 of the City Code to effectuate these changes;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON that Chapter 5 of the City Code is hereby amended as follows:

SECTION 1: The following definition will be added to Chapter 5, Sec. 5-31:

Beneficial Owner(s) means someone who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 10% or more of the corporation.

SECTION 2: Chapter 5, Sec. 5-92, subsection (e) shall be amended to read as follows:

Sec. 5-92. - Rental dwelling units.

(e) The owner, operator and/or lessor of any rental dwelling unit shall submit an application for a rental license to the department of finance, which shall contain:

(1) The name, ~~and~~ address, and a list of other affiliated LLC's and entities which operate rental housing in Wilmington, of the operator and the name, ~~and~~ address, and a list of other affiliated LLC's and entities which operate rental housing in Wilmington of the owner if the operator is not the owner, and such address shall not be a post office box;

(2) The location of the rental dwelling or rental dwelling units including the street and number of each entrance;

(3) The number of rental dwelling units available for rent;

(4) If the owner or operator is a corporation, the name and address of such corporation and the name, ~~and~~ address, and a list of other affiliated LLC's and entities which operate rental housing in Wilmington, of its president, secretary, any other officer of the corporation, and registered agent shall be given; and the name, address, and a list of other affiliated LLC's and entities which operate rental housing in Wilmington of all Beneficial Owners who directly or indirectly (through any contract, arrangement, understanding, relationship or otherwise) own 10% or more of the corporation;

(5) If the owner or operator is an estate, the name and business address of the executor of the estate;

(6) If the owner or operator is a trust, the name, address, and a list of other affiliated LLC's and entities which operate rental housing in Wilmington, of all trustees, grantors, and beneficiaries;

(7) If the owner or operator is a partnership, the names, residence address, and a list of other affiliated LLC's and entities which operate rental housing in Wilmington of all partners with an interest of ten percent or greater;

(8) If the owner or operator is any other form of unincorporated association, the names, residence address, and a list of other affiliated LLC's and entities which operate rental housing in Wilmington, of all principals with an interest of ten percent or greater;

~~(5)~~ (9) If the owner or operator does not actually reside within the county or is not customarily present at an office in the city for the purpose of transacting business, then such owner or operator shall designate a resident managing agent to be in control of the rental dwelling or rental dwelling units who:

- a. Will be responsible for the maintenance and operation of the rental dwelling or rental dwelling units in accordance with the provisions of this chapter; and
- b. Will be authorized to receive notices and process on behalf of the owner or operator in connection with the enforcement of the code. If the owner or operator is a corporation, or in the event that a corporate managing agent is designated by an owner or operator, the corporation shall designate an officer or agent as the managing agent;

~~(6)~~ (10) A waiver by the owner or operator of all notice of violations except the sending of a copy of such notice by certified mail with return receipt requested to his address as indicated on the application, or if the owner or operator is a corporation, to the address of the managing agent as indicated on the application;

~~(7)~~ (11) Any additional information that the commissioner of licenses and inspections may require;

~~(8)~~ (12) A certification, under penalty of perjury, that all statements therein contained are to the best of his knowledge and belief, true and correct.

SECTION 3: This Substitute No. 2 to Ordinance No. 21-008 shall become effective upon passage by City Council and approval by the Mayor.

First Reading..... February 18, 2021
Second Reading..... February 18, 2021
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2021.

Mayor

SYNOPSIS: This Substitute No. 2 to Ordinance No. 21-008 requires that more detailed information be provided to the City of Wilmington regarding the owners and/or operators of rental properties.