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Rental Housing Strategies Community Engagement

Executive Summary

Background

With nearly half of all housing in Fort Collins occupied by renters (*Housing Strategic Plan, 2021*), the City must support both renter and homeowners living next door to each other, even when their values may have tensions between them. Nowhere is this discrepancy starker than on the issue of occupancy limits. The City of Fort Collins has been enforcing rental occupancy since the 1960's and the ordinance known as U+2 since 2007. The language of the ordinance is in Article 3, Division 8.16 of the City's Municipal Code (*City of Fort Collin Municipal Code, 2006*). The City's website describes the purpose of occupancy limits as "to help ensure health and safety of residents, and to help protect the quality and character of neighborhoods" ("Occupancy"). Historically, occupancy limits have been a space where residents are often polarized.

The City has also had multiple conversations about how to support both renters and landlords through rental licensing and/or registration over more than 10 years. The goal of these strategies would be to make it easier to both rent and landlord in the city, with health and safety protections for tenants and support for small landlords. In October

2021, the City Council reviewed an evaluation of rental strategies and directed staff to conduct community engagement on the topic.

In March 2021, the City released its new *Housing Strategic Plan*, a document which used expert analysis and public input to define the challenges in housing facing Fort Collin and outline strategies to combat them and help housing become more healthy, stable and affordable for all residents. The seventh challenge listed in the *Plan* is that “Housing policies have not consistently addressed housing stability and healthy housing, especially for those who rent.” Seven strategies are listed under this challenge as tools the City would like to use to help renters and others. Strategy 20 is related to a rental licensing and/or registration program and Strategy 21 concerns revisions to the current occupancy limits (Image 1).

20. Explore the option of a mandated rental license/ registry program for long-term rentals and pair with best practice rental regulations (New)	Potential components include landlord education (fair housing or other), standardized lease agreements in English and Spanish, requirements for reasonable application fees, a more defined path for conflict resolution, and rental inspections focused on health, safety, stability and efficiency.	Improve renter protections, housing quality, housing stability and landlord access to information; Improves housing equity	• Explore rental licensing to promote safe and healthy housing • Increase equity in existing programs and services	Transformational (2+ years)
21. Explore revisions to occupancy limits and family definitions in order to streamline processes and calibrate the policy to support stable, healthy, and affordable housing citywide (Expand)	Occupancy limits and narrow family definitions often create unintended constraints on housing choice and options, including cooperative housing opportunities for seniors, people with disabilities, and low-income renters desiring to live with unrelated adults in a single family home setting, as well as non-traditional household arrangements.	Diversify housing options / Increase housing choice; Improves housing equity; Increases stability / renter protections	• Remove or relax occupancy restrictions • Increase equity in existing programs and services	Transitional (1-2 years)

Image 1: Strategies 20 and 21 (*Housing Strategic Plan*, 2021).

Community Engagement

In order to get direction and better understand the public’s tolerance of changes to occupancy limits and rental regulations, Neighborhood Services staff began a public

engagement campaign which included convening a resident taskforce and deploying a community questionnaire.

Rental Housing Advisory Taskforce

In March, 2022, a Taskforce of 19 residents including housing tenants, property owners, property managers and more was selected by staff and convened to discuss occupancy and rental strategies. “The Rental Housing Task Force was convened to support deeper exploration of the three strategies and work collaboratively to propose modifications to current housing policy over the course of ten biweekly meetings. Modifications proposed by the Task Force will be considered by City staff, the broader public, and City Council moving forward” (*Fort Collins Rental Housing Task Force July 6, 2022 Agenda*). The taskforce met monthly for ten months, overseen by City staff and a third-party facilitator. Participants worked to diverge and then reconverge on recommendations to present to City Council.

Community Questionnaire

In order to better support the Taskforce and help them expand their viewpoint to the broader Fort Collins population, staff also conducted a Rental Housing Strategies Community Questionnaire. The results were presented to the Taskforce and will also be included in the report to City Council along with the Taskforce’s recommendations. The survey was deployed online and sent to staff contacts at Colorado State University, *The Coloradoan*, and *The Collegian*. Staff also used the Neighborhood Services pop up lemonade stand to table at strategic neighborhoods. These neighborhoods were chosen

because of their high quantity of both renters and homeowners living next door to one another. The survey was also available in Spanish.

Demographics

Overall, the survey had 1,739 responses. 64.8% said they own their home and 30.8% said they rented. The survey also asked respondents to self-identify as a renter, homeowner, student, real estate agent, homeowners' association member, property manager, landlord or other, with the option to select multiple to capture the intersectionality of identities at play. On average, renters reported lower household income, age, and length of residency in Fort Collin than owners, although some of the demographic questions such as household income also had larger numbers of participants refuse to answer so the trends may be skewed. The survey captured representative percentages of most racial identities except that only 4.3% of respondents identified as Hispanic/Latinx while the larger population has a higher percentage of people in this category.

Results

The results are presented through various cross-sections of the respondents. All the questions will show how the entire pool of respondents answered, and then a comparison of only renters and only homeowners. The occupancy questions were further filtered by respondents who identified as homeowners but NOT rental housing industry professionals such as landlords, property managers or real estate agents. The rental occupancy questions were filtered for respondents who identified as an industry professional. This shows an interesting impact of working in the rental housing industry.

Occupancy	All Respondents		Renters		Homeowners		Non Industry Professionals	
	Yes	No	Yes	No	Yes	No	Yes	No
Agree or disagree to the following statements:								
Should Fort Collins occupancy limit stay as they are?	31%	69%	22%	78%	36%	64%	45%	55%
Allow extra occupancy rentals in more places around the city	62%	35%	72%	23%	50%	41%	43%	49%
Make the process to approve extra occupancy easier	59%	33%	74%	21%	51%	39%	43%	46%
Adjust occupancy limit to match number of bedrooms in a home	51%	50%	59%	33%	47%	44%	38%	51%
Regulate occupancy based on household function, not family relatedness	48%	41%	51%	31%	21%	47%	28%	52%
Regulate occupancy based on number of parking spaces	22%	61%	12%	69%	27%	57%	24%	63%
Focus on regulating nuisances instead of occupancy	56%	32%	61%	26%	54%	36%	44%	44%
Increase occupancy limits to more than 3 unrelated residents	56%	37%	73%	23%	47%	45%	39%	52%
Eliminate occupancy limits completely	36%	54%	52%	36%	27%	63%	24%	67%
Rental Strategies	All Respondents		Renters		Homeowners		Landlords	
	Yes	No	Yes	No	Yes	No	Yes	No
Agree or disagree with the following statements:								
Should Fort Collins rental strategies stay as they are?	40%	60%	25%	75%	46%	54%	53%	47%
Require that all landlords obtain a license to rent property in the City	50%	40%	63%	21%	45%	48%	13%	78%
Require that all landlords register their rental properties with the City	56%	34%	69%	17%	52%	40%	21%	69%
Proactively inspect rental properties on a regular basis for health and safety violations	47%	37%	62%	20%	42%	44%	15%	72%
Inspect rental properties only when a complaint is filed	56%	26%	60%	22%	53%	28%	56%	23%

Analysis

The results show divides in opinions between subgroups of the population. Overall, renters were more likely to say that they wanted to see changes in both occupancy and rental strategies. Homeowners as a single group without filtration of profession were

more moderate or split more evenly between those who disagreed with strategies and those who agreed. It was helpful then to filter out subsections of the homeowners by profession in the rental housing industry. Homeowners who were NOT industry professionals were less likely to approve of changes to U+2. However, Homeowners who WERE in the industry themselves were less likely to approve of rental strategies which would regulate their business. An interesting pattern to point out is the dual inspection questions. Many respondents disagreed with one type of inspection and agreed with the other, but there were also many respondents who agreed with both types, indicating that inspections in general are needed, but there were differing opinions on whether to perform them preemptively or case-by-case.

Conclusions and Next Steps

However divided individual groups were in the questionnaire, the majority of respondents said they would tolerate or even welcome changes in both U+2 and rental strategies. There are some other clear directives from the survey, including that most people thought restricting occupancy based on parking spaces is a bad idea, or that offering increased landlord/tenant mediation services would be a good one. The survey was presented to the Rental Housing Advisory Taskforce, and after discussion they agreed to recommend rental registration over licensing and case-by-case inspections over preemptive ones. For occupancy, the Taskforce recommended basing occupancy limits on the number of bedrooms in a house, removing the definitions of family from the ordinance language, as well as making the extra occupancy application process easier by removing occupancy from the Land Use Code.

The survey results and Taskforce recommendation will go to City Council on August 26, 2022 where staff will receive direction on which of the recommendations to implement. The next steps will be deciding on the many small details of the new policies and determining how they will be enforced and administrated. As the City progresses, it should continue to engage the public in order to build rental strategies which successfully address the greatest challenges in the *Housing Strategic Plan*.

Resources

City of Fort Collin Municipal Code, 3.8.16, 2006.

https://library.municode.com/co/fort_collins/codes/land_use?nodeId=ART3GEDEST_DIV3.8SURE_3.8.16OCLIINNUPEAL

Fort Collins Rental Housing Task Force August 3, 2022 Agenda. (n.d.). City of Fort Collins. https://www.fcgov.com/housing/files/august-3-agenda_website-edits.pdf?1659717450

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<https://www.fcgov.com/neighborhoodservices/occupancy>