

Fort Collins Rental Housing Task Force Final Recommendations

Fort Collins residents Jack Armstrong, Jade Beaty, Julia Berger, Lisa Cunningham, Brannan Davis, Adam Eggleston, Emily Gallichotte, Carrie Gillis, Cecilia Granby, Sean Haines, Nicole Hanson, Mike Herder, Torey Lenocho, Robert Long, Lindsay Mason, Amy Pezzani, Jose Luis Ramos, Carolyn J. Rasley, and Isabella Zapata served as Rental Housing Task Force members for the duration of ten meetings. The Task Force met ten times between March 30 and August 3, 2022. The Task Force recommendations follow below; some recommendations were approved through consensus and others through a majority vote.

Introduction

The Task Force acknowledges that housing policy is complicated and controversial. It is inextricably linked to the availability and affordability of housing in the City of Fort Collins. Both issues are of concern to the members of the Task Force and consequently, discussions often touched on housing policy and related trade-offs. The Task Force recommends that the City of Fort Collins consider housing policy options carefully before adding any new rental housing program components that could place pressure on landlords to raise rents.

City Council is urged to consider the potential for unintended consequences of any policy changes, and in particular, the impact of occupancy limits on the affordability of housing. The City's goals related to sustainability, density, and energy efficiency are closely related to the rental housing supply.

The Task Force noted that rental housing is disproportionately occupied by low-income families and minority populations. It was noted that enforcement of occupancy limits could potentially conflict with the City's diversity and equity principles. Housing policy should avoid unintentionally discriminating against any renters.

In addition, the Task Force hopes the City will consider how occupancy limits affect incentives for developers and turnover of property ownership. Another consideration is how housing policy accommodates life cycle changes. Finally, the Task Force suggests the City consider increasing funding to all affordable housing providers to allow access to their programs for more tenants.

Recommendations to City Council

Rental Housing Program

By a vote of 12 in favor and 4 opposed, the Task Force approved a recommendation that the City establish a mandatory rental housing registration program to create a database of all rental housing units by owner. Registration should include a nominal one-time fee for each rental unit and owners who fail to register their rental properties should be assessed a fine. To incentivize participation, the City should establish a landlord/tenant portal to provide resources and marketing connections. When a property is sold, the new owner should be required to register the property in their own name. Registration information should include a designated local

responsible party listed for each rental unit. Contact information for the property owner should not be provided publicly unless the designated responsible party has granted permission.

By consensus, the Task Force agreed that the City should not establish a rental housing licensing program at this time.

Occupancy Regulations

The following recommendations were approved by a vote of 16 in favor and 1 opposed.

The Task Force recommends that the definition of family be removed from occupancy regulations. Instead, the Task Force recommends that current occupancy code be replaced with one that is based on the number of bedrooms to utilize the City's existing home inventory more fully.

The Task Force recommends considering the following as a new occupancy code is established:

- Remove the U+2 policy from zoning law. Replace the policy with occupancy regulations that are enforced through administrative processes;
- Make it easier for property owners to obtain exemptions to occupancy regulations and increase the regions of the City where extra-occupancy permits are allowed;
- Require properties with extra occupancy designations to renew permits every five years;
- Remove extra occupancy designations when property ownership changes and/or when a property violates public nuisance ordinances.

Rental Housing Inspection Program

The Task Force reached consensus on recommendations related to the City's Rental Housing Inspection Program.

The Task Force recommends against proactive inspections for the rental housing program in favor of an inspection program that is initiated only after a complaint has been filed. Ideally, any tenant filing a complaint will attempt to resolve concerns with the landlord before filing a complaint. Inspections should be restricted to specific complaints.

The Task Force recommends that the rental housing inspection program be administered using clear and consistent standards for all types of units. Additionally, all inspectors should use the same standards, processes, and protocols. It should be made clear what each inspection includes - inside the walls, the exterior, or the property as a whole.

The Task Force recommends that all inspection program requirements be based on objective standards for established health and safety requirements only and include no cosmetic considerations. Inspections should take the age of unit into consideration. Inspection reports would ideally include suggestions for how the property could be brought into compliance.

Finally, the Task Force recommends that the City only conduct full inspections for repeat offenders and/or properties with complaints comprised of multiple infractions.

To support the program, the City of Fort Collins should provide education about the "Warrant of Habitability" and the City's inspection process.

Small Landlord Incentives

Consensus was reached that there is no need for a small landlord incentive program beyond what is already available at this time.

Task Force Recommendations to City staff

Regardless of any changes in Housing Policy made by Fort Collins City Council, the Task Force agreed to the following recommendations for actions to be taken by City staff in implementing the City's housing policies.

Education and Communication

The Task Force approved the following recommendations by consensus.

The Task Force recommends that the City of Fort Collins develop educational resources and opportunities for all participants in the rental housing program, including both tenants and landlords. The City should make all information about rental housing easier to find on the City website. Educational materials should include an explanation of all necessary disclosures for rental properties. In addition, the Task Force recommends the City consider establishment of a landlord/tenant portal to provide resources for both landlords and renters.

To support renters, the City should consider developing a "top ten" issues list to provide as a handout for renters and/or post on the City's website. Additionally, educational materials focused on renters should include information about the complaint process and the conflict resolution process as well as legal resources that are available to renters. The City should provide extra outreach for new landlords and for landlords or tenants with repeated violations.

The Task Force recommends that the City encourage landlords to have their leases reviewed by an attorney on an annual basis. To support new and small landlords without their own attorneys, the City should develop standardized (sample or model) leases for various types of properties with the assistance of a qualified attorney and make those standard leases available to landlords. Additionally, the standard leases should list all required steps in the move-out process (i.e., full cleaning) along with the charges for failing to meet those requirements as well as how to include documentation related to cleaning/damage deposits.

Conflict Resolution Process

The Task Force approved the following recommendations by consensus.

The Task Force recommends that the City review the existing conflict resolution process to offer protections for both landlords and tenants. Mediation should be available for all parties and the conflict resolution process should be adequately funded. It is further recommended that the process include provisions for translation services for parties whose first language is not English.

Background

The Fort Collins City Council approved a Housing Strategic Plan in March 2021 with a vision that "Everyone has healthy, stable housing that they can afford." The Housing Strategic Plan identified seven "Greatest Challenges" to achieving that vision, including #7 "Housing policies

have not consistently addressed housing stability and healthy housing, especially for people who rent."

The Housing Strategic Plan identified three strategies to address challenge #7:

- Strategy 20. Explore the option of a mandated rental license/registry program for long-term rentals and pair with best practice rental regulations.
- Strategy 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.
- Strategy 26. Develop Small Landlord Incentives.

In early 2022, the City convened a Task Force to support deeper exploration of the three strategies and to work collaboratively to propose modifications to current housing policy for consideration by City staff, the broader public, and City Council moving forward.

The City invited applications from the public to serve on the Task Force. A total of 76 people applied. Members from the Housing Team and the Rental Housing Occupancy Committee reviewed the applications. The top scores in categories landlord/property manager, renter, and other were invited based on date availability for the most participation. City Attorney Office approved the criteria utilized for selection and the information shared with the selection team. Demographic information was collected on applicants but was not used in the selection process; it was considered in aggregate for the entire application pool.

A panel of applicants was selected to represent a diversity of perspectives, including rental housing tenants, property owners and property managers, and people who fit neither category. Fort Collins residents Jack Armstrong, Jade Beaty, Julia Berger, Lisa Cunningham, Brannan Davis, Adam Eggleston, Emily Gallichotte, Carrie Gillis, Cecilia Granby, Sean Haines, Nicole Hanson, Mike Herder, Torey Lenocho, Robert Long, Lindsay Mason, Amy Pezzani, Jose Luis Ramos, Carolyn J. Rasley, and Isabella Zapata served as Task Force members for the duration of ten meetings.¹ City staff members Marcy Yoder (Neighborhood Services Manager), Meaghan Overton (Housing Manager) and Kory T. Katsimpalis (Customer Support, Community Development & Neighborhood Services) supported the Task Force. Wendy Green Lowe (P2 Solutions) facilitated all meetings.

The Task Force met a total of ten times between March 30 and August 3, 2022. The 19 Task Force members attended an average of 8.5 meetings each. Each meeting had an average of 16 Task Force members present. Task Force members completed homework assignments between meetings to ensure they were well informed

Early meetings were primarily informational as the Task Force members received presentations from City staff as well as a panel including Paul Anderson, Lloyd Walker, David Roy, and Benton Roesler to explore opinions about the City's U+2 Policy. The following documents were provided to members for their consideration:

¹ One Task Force member resigned after the second meeting due to an unforeseen personal commitment that prevented further participation.

- City of Fort Collins Housing Strategic Plan, Landlord/Tenant Handbook, and Rental Housing Minimum Requirements
- Results of research done for the City of Fort Collins looking at peer cities and their rental regulations,
- registration and occupancy regulations, household definitions, and occupancy restrictions
- Materials on the City's website related to occupancy:
<https://www.fcgov.com/neighborhoodservices/occupancy>
- Corona Insights Rental Market Report 2019
- Occupancy Study Presentation to City Council
- Memo from Root Policy on occupancy data
- Investor Ownership Analysis from Root Policy
- Initial results of Community Questionnaire
- Results from Landlord questionnaire conducted by Root Policy