



## Rental Housing Program: First Reading

### Housing Strategic Plan Implementation

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- **Strategy 20** - Explore the option of a mandated rental license/registry program and pair with best practice rental regulations.



### **Big Move 7: Healthy, Affordable Housing**

- **HAH6:** Explore mandated rental license/rental registry

## Why are we looking at a rental registration and inspection program?

- **Greatest Challenge #7:** Housing policies have not consistently addressed housing stability and healthy housing, especially for people who rent
- **Community engagement:** a desire to proactively ensure **healthy, safe units** and maintain neighborhood **quality of life**

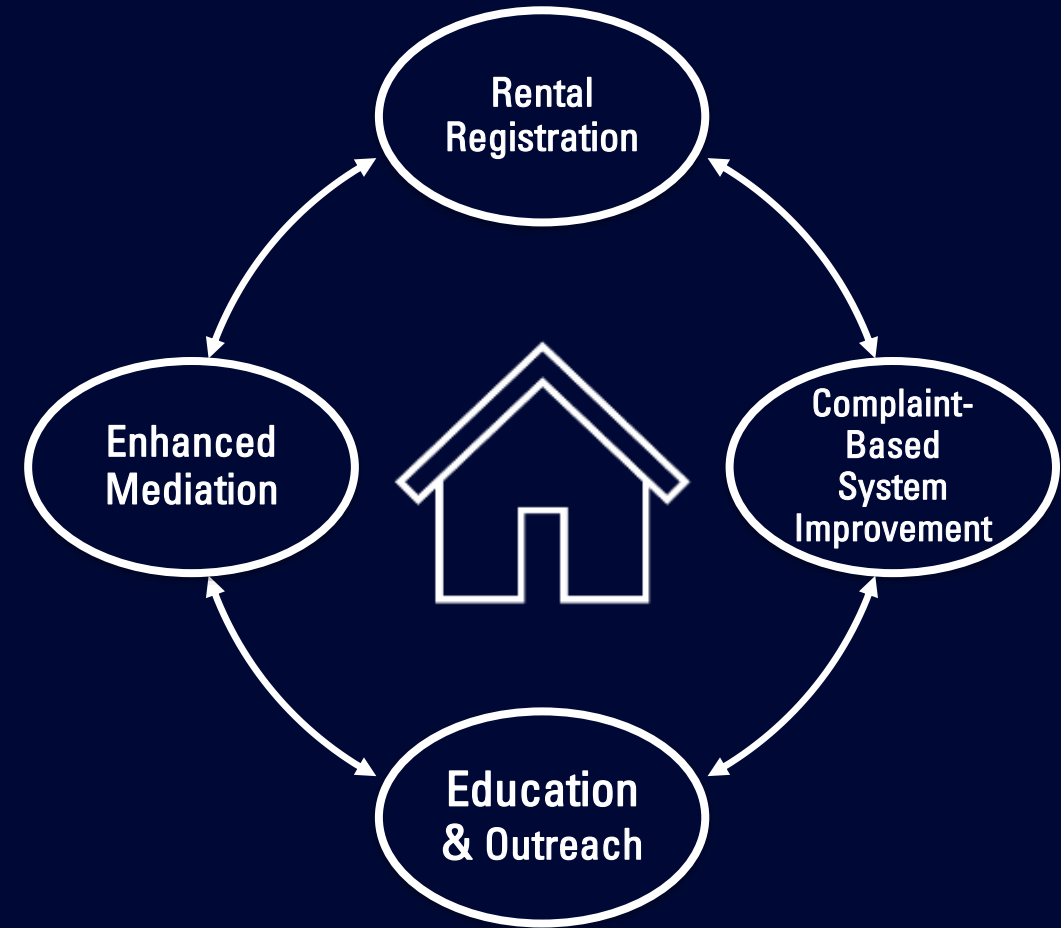


## Purpose of a rental registration program

- Track and manage data about rental properties to better understand housing needs and trends
- Increase education, outreach, and mediation resources for both tenants and landlords
- Improve systems and implementation of complaint-based inspections
- Ensure rental properties meet minimum health and safety standards on a complaint basis

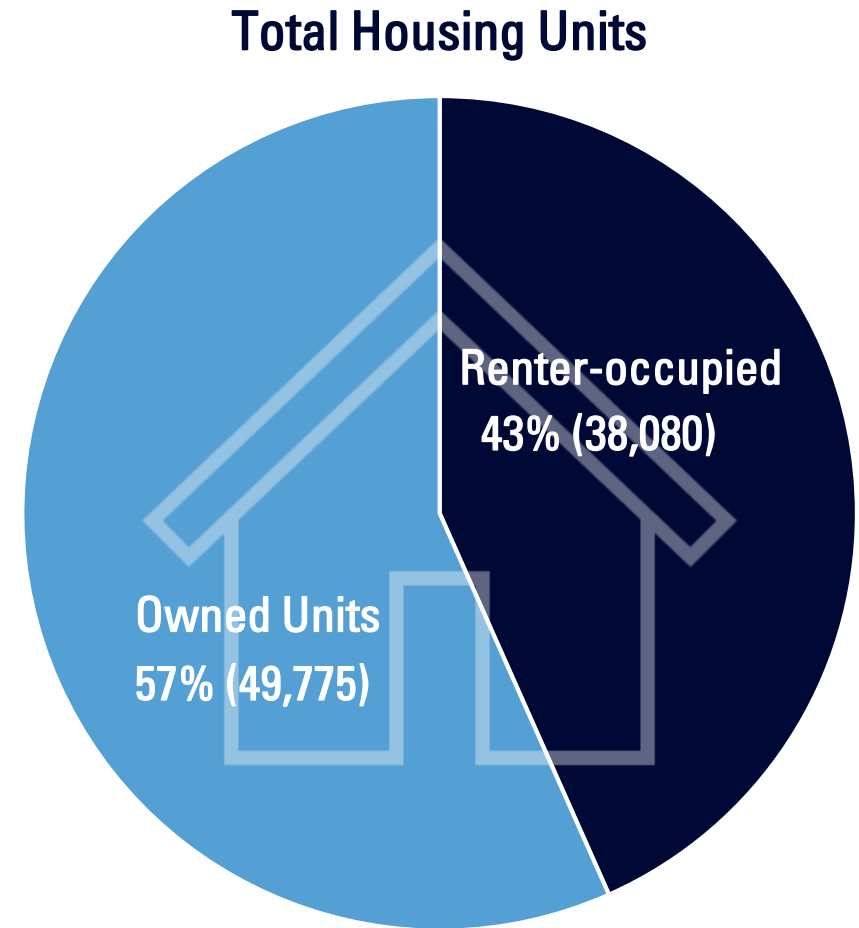


# Issue Identification



## Challenges for Renters

- Low rental vacancy rate limits housing choices
- Special housing needs (e.g., homes without stairs, elevator needs, specific bedroom count) further restrict available options
- A shortage of affordable housing exacerbates the risk of displacement, especially for those in substandard living conditions
- Renters have limited control over the conditions and maintenance of their rental homes



## Current State - Complaint-Based Inspections

- Tenant-initiated, non-anonymous complaints regulate rental property habitability, leading to tenant fear of retaliation
- Complaint-based inspections result in an average of 13 "required actions" per landlord
- Required actions for compliance with the International Property Maintenance Code, ranged from 1 to 44 per property over a 7 year-period

### Complaint Categories

Interior General  
(including Light & Ventilation)

Electrical Facilities

Exterior General

Mechanical Facilities

Fire Safety Requirements

Plumbing Facilities

## Current State – Mediation

- Fort Collins offers free mediation services through the Mediation and Restorative Justice Program
- Low mediation rates may be due to challenges in engaging all parties, tenant fear of retaliation, and/or one party’s refusal to participate
- An inherent power imbalance exists between landlords and tenants

City of Fort Collins Mediation Program	
• 2019 Landlord/Tenant Mediations Conducted	4
• 2022 Landlord/Tenant Mediations Conducted	8
• Requests resulting in mediation	5.5%
• % of mediation processes that fail to reach agreement	30%-40%



## Current State – Education and Outreach

- Landlord/Tenant Handbook available online (English)
- Pre-recorded educational trainings and videos available online (English)
- Information and forms to request a compliant-based rental inspection available online and in print (English)
- Forms to request mediation and information about mediation services available online and in print (both English and Spanish)

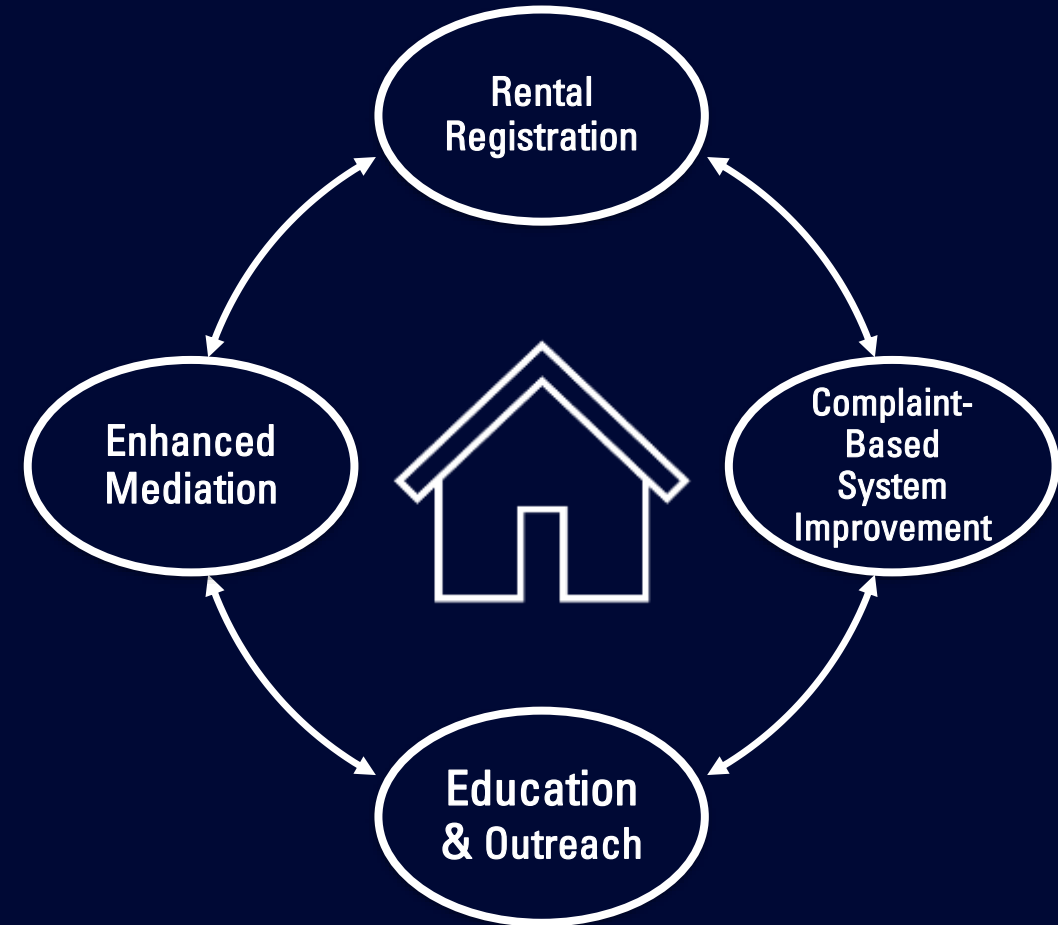


## Summary

- The Rental Housing Task Force recommended rental registration with improved complaint-based inspections
- Nonprofit partners raised concerns potential unintended consequences for renters and low-income landlords
- Collaborative efforts have been made over the last two months with nonprofits, renters, small landlords, and realtors to identify educational components and possible incentives

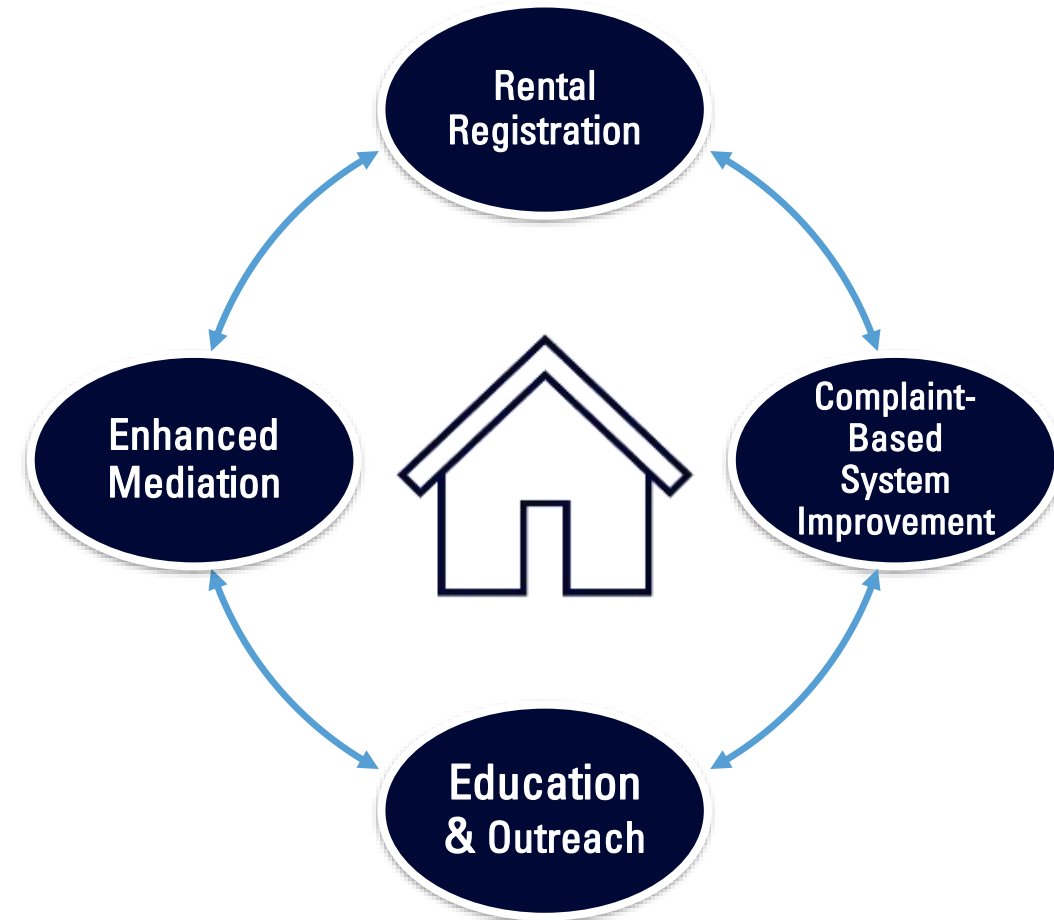
Group Engaged	Dates
Housing Strategic Plan engagement	2020-2021
Rental industry presentations	Feb. 2022
Rental Industry Questionnaire	Feb.-March 2022
Rental Housing Task Force	March-Aug. 2022
Community Questionnaire	August 2022
Housing nonprofit, renter, & small landlord stakeholder discussions	April-May 2023

# Program Approach & Design



Items funded in the proposal:

- Mandatory registration program for rental properties
- Improved complaint-based inspection system & software
- Enhancements to landlord/tenant mediation
- Education & outreach programs
- Potential mitigation funding for landlords
- Start-up costs \$1.1 million over a 2-year period
  - 2023 - \$461,375
  - 2024 - \$614,700
- Staffing 6.5 FTE



## Rental Property Registration

### Funded Items

Registration/Complaint-Based Inspection Software Upgrade

Rental Housing Program Manager 1.0 FTE

Administrative Specialist/Technician 1.5 FTE

Data Collection

### Data to be collected includes

- Property ownership, management, & contact information
- Types and locations of units
- Age of units
- Utilities or services included in the rent
- Monthly rent \*
- Average length of tenancy per unit/Unit turnover \*
- Local contact within 70 miles if applicable
- Information about third-party inspections if applicable

## Complaint-Based Inspections

### Funded Items

Registration/Complaint-Based Inspection Software Upgrade

Rental Inspectors 1.5 FTE

Inspector Vehicles (2)

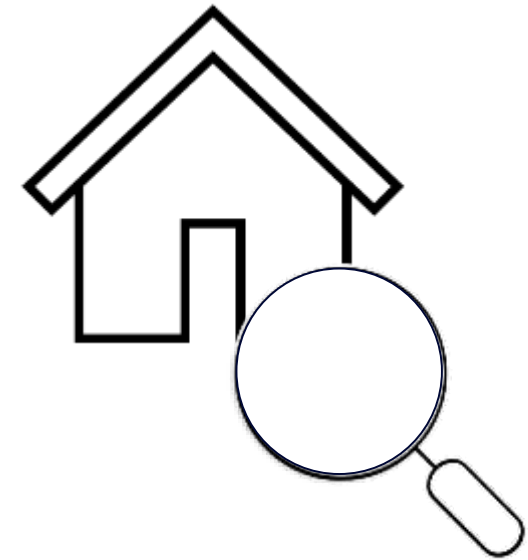
### Opportunities for development during implementation

Improved Complaint Forms & Process

Rental Inspection Guidelines & Educational Materials

"Move Out Inspection" Option for Tenants

Voluntary Community-Based Inspection Program



## Enhanced Mediation

### Funded Items

Additional Engagement Staff

Collaborative Working Group with Community and Nonprofit Partners

### Opportunities for development during implementation

Proactive Mediation Agreements with Landlords

Capacity Building for Mediation Services provided by the City and Community Nonprofit Partners

Assessment for Potential of a Local Pilot Program for Mediation on Eviction Hearing Days at the Larimer County Court



## Education & Outreach

### Funded Items

Engagement Specialists 2.5 FTE (2 full-time & 1 part-time)

Development of educational materials, warranty of habitability & rental minimum standard guidelines disclosures, & resource booklet

Voluntary, educational community assessments for minimum health and safety standards

Mitigation Grant Fund (2024)

Exploration of low/no-interest loan options for landlords (funding would require a separate Council action and appropriation)

### Opportunities for development during implementation

Neighborhood clean-up & volunteer repair days

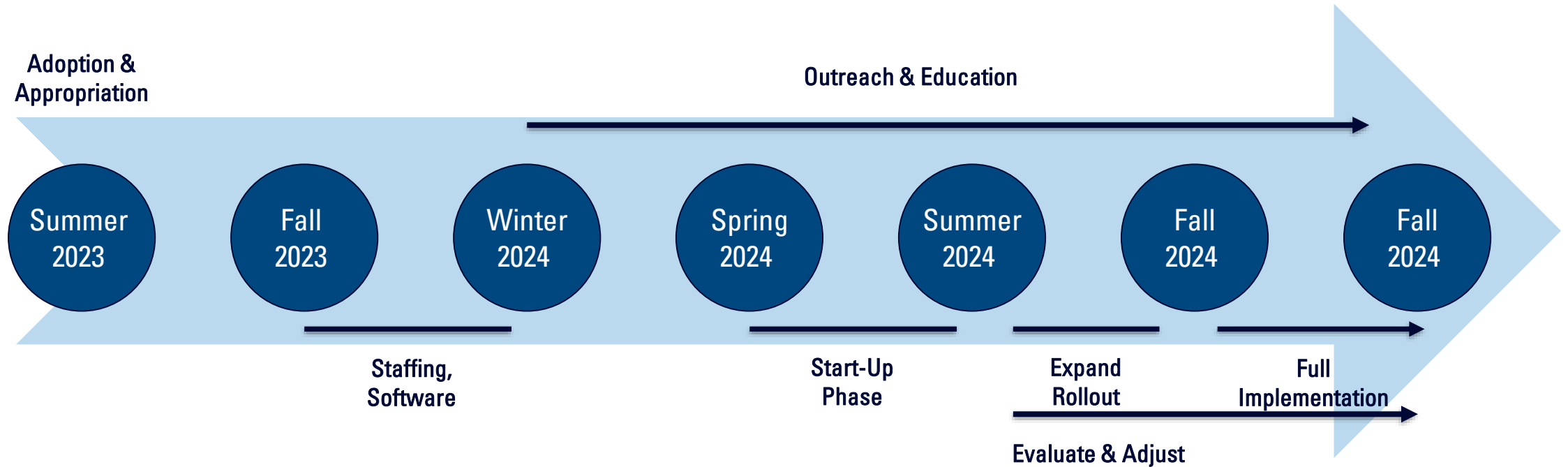
Building permit "coupon" weeks to temporarily reduce certain permit costs for specific neighborhoods or housing types

Ask An Inspector events & development of an anonymous online forum

Expansion of landlord and tenant training sessions, online materials, and stakeholder-specific cohorts







Q3 - 2023

- Hiring Staff
- Improved Complaint-Based Access
- Determine Program Matrix

Q4 - 2023

- Software Upgrades & IT Improvements
- Enhanced Mediation
- Education on Complaint-Based Inspections
- Recruitment for Community Assessment Team
- Begin Exploring Loan Product

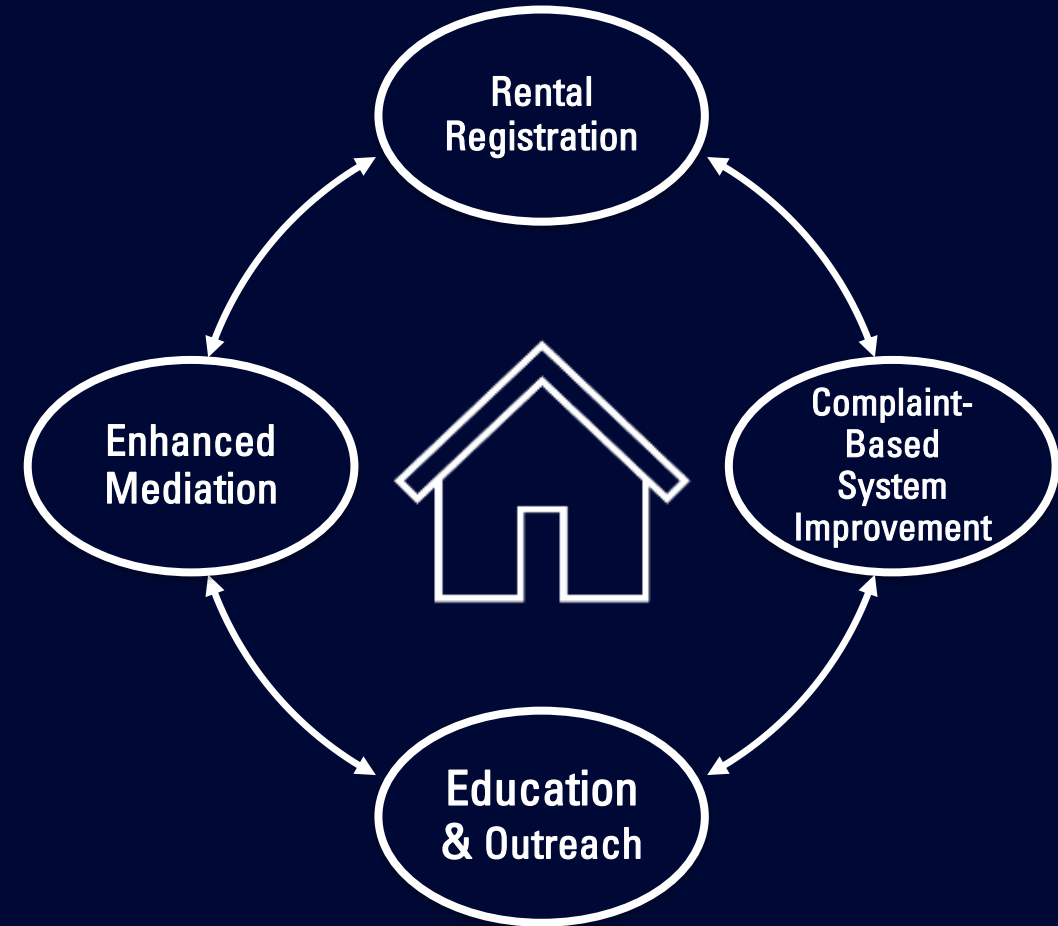
Q1 - 2024

- Begin Rental Registration Rollout
- Hire remaining staff

Q2 - 2024

- Begin Rental Registration
- Mitigation Grant Program Pilot for Income-Qualified Landlords
- Begin Voluntary Community Assessments

# Proposed Fee Structure



## Proposed Fees, Staffing, & Startup Costs

Hybrid (75% property/25% unit)	Per Property	Per Unit
Registration fee (paid by all properties)	\$37	\$10

- Hiring will begin with four staff members for program management, complaint-based inspections, education, outreach, and implementation.
  - Additional full-time staff members will be added as needed to support implementation.
- In total, a \$1.1 million appropriation is requested over two years (\$461,375 in 2023 and \$614,700 in 2024) to support the startup phase.

# Proposed Staffing

Compensation	FTE	Per FTE Cost	2023 Costs (from June-Dec. 2023)	2024 Costs
Program Manager	1	\$90,000	\$45,000	\$90,000
Lead Rental Inspector	1	\$80,000	\$40,000	\$80,000
Rental Inspector	0.5	\$35,000	\$17,500	\$35,000
Engagement Specialist – Landlords	1	\$65,000	\$32,500	\$65,000
Engagement Specialist – Tenants	1	\$65,000	\$32,500	\$65,000
Part-Time Engagement Specialist (Connector or Housing Navigator)	0.5	\$30,000	\$15,000	\$30,000
Admin/Tech	1.5	\$75,000	\$25,000	\$75,000
<b>Total FTE</b>	<b>6.5</b>		<b>\$207,500</b>	<b>\$440,000</b>
<b>Benefits</b>	<b>0.25</b>		<b>\$51,875</b>	<b>\$110,000</b>
<b>Total Compensation</b>			<b>\$259,375</b>	<b>\$550,000</b>

# Proposed Startup Costs

## One-Time Costs

Cost Item	Quantity	Cost/Item	Total Cost 2023	Total Cost 2024
Software (Complaint-Based System)	1	\$75,000	\$75,000	\$0
Vehicle	2	\$30,000	\$60,000	\$0
Computer Hardware – Non-Inspectors	6	\$1,500	\$9,000	\$0
Computer Hardware – Inspectors	2	\$2,800	\$5,600	\$0
Outreach & Program Supplies	N/A	N/A	\$5,000	\$10,000
Tools	2	\$100	\$200	\$0
Mitigation Grant Fund Pilot	N/A	\$100,000	\$0	\$0
<b>Total One-Time Costs</b>			<b>\$154,800</b>	<b>\$10,000</b>

## Proposed Startup Costs

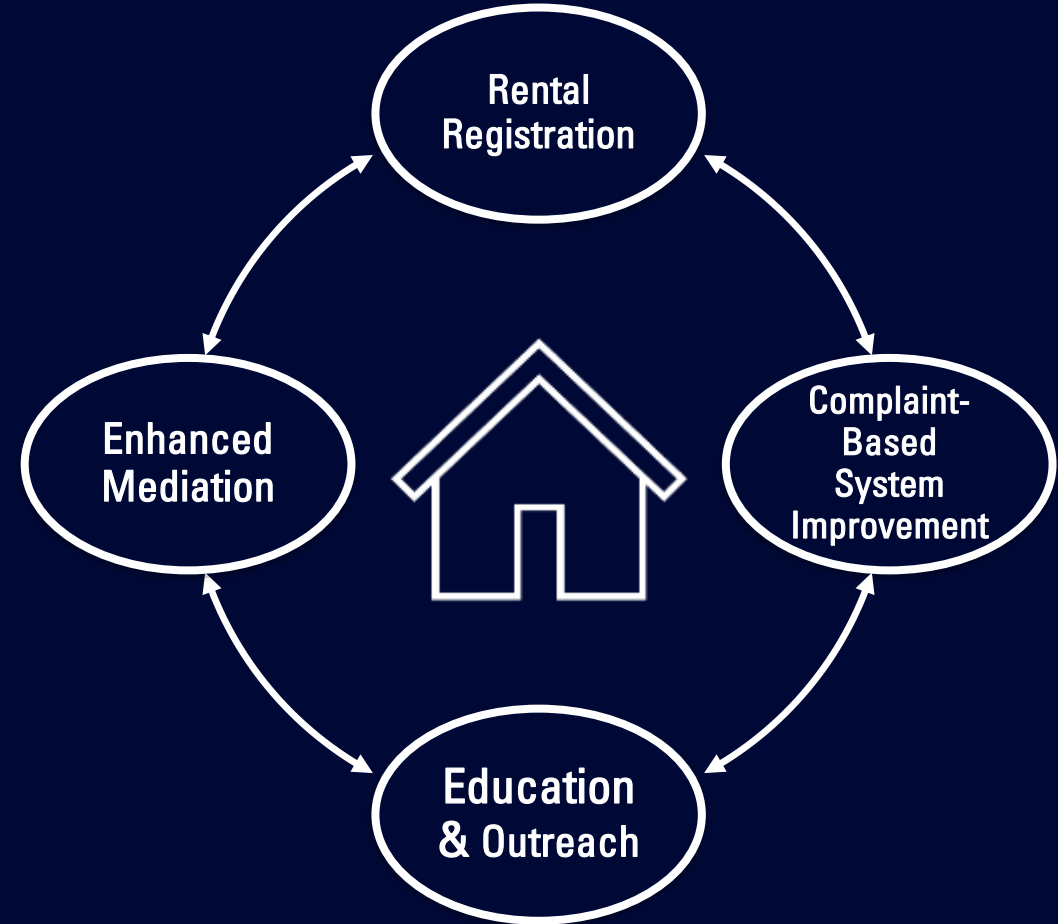
### Ongoing Annual

Compensation	Quantity	Cost/Item	Total Cost 2023	Total Cost 2024
Vehicle Maintenance/Fuel	2	\$10,000	\$20,000	\$20,000
Translation	N/A	N/A	\$10,000	\$10,000
Postage	N/A	N/A	\$10,000	\$10,000
Phone	7	\$600	\$4,200	\$4,200
Marketing	N/A	N/A	\$2,500	\$10,000
Uniforms (Inspectors)	2	\$250	\$500	\$500
<b>Total Ongoing Annual Costs</b>			<b>\$47,200</b>	<b>\$54,700</b>

### Total Costs 2023 & 2024

Total Costs	Total Cost 2023	Total Cost 2024
Total Compensation	\$259,375	\$550,000
One-Time Costs	\$154,800	\$10,000
Ongoing Costs	\$47,200	\$54,700
<b>Total Costs</b>	<b>\$461,375</b>	<b>\$614,700</b>

# City Financial Impacts



- **What:** \$1.1 million appropriation from the general fund
  - 2023 = \$461,375
  - 2024 = \$614,700
  
- **Why:** Initial outlay for a rental registration program to hire staff, purchase software, and fund program activities and engagement
  - Initial plan had the Council Finance Committee's support for a \$1.6 million appropriation from the General Fund reserves over two years (2023 and 2024).
  - A revised plan proposes lower startup costs, requesting a \$1.1 million appropriation from the General Fund reserves for the same period.
  - A revision offer will be made in July 2023 to secure Council approval for the 2024 funds.



**THANK YOU!**



## Challenges for Potential Homebuyers

- Few “starter homes” available at entry-level prices in the housing market
- Investors own 80-86% of all townhomes, duplexes/triplexes, and condos; and a large share of lower-priced single-family homes

Investor-owned  
single housing units  
cost an average of

**\$70,000 less than**

Owner-occupied  
single housing units