



Rental Housing Program Options: Council Work Session

Housing Strategic Plan Implementation

Marcy Yoder, Neighborhood Services Manager
Meaghan Overton, Housing Manager

2-28-23

Would Council like to take further action on any of the options presented?



- Over 40% of all housing in Fort Collins is renter-occupied

	Estimated # of homes*	Estimated % of all housing
Total (citywide)	87,863	100%
Owned Units	49,775	57%
Rental Units	38,088	43%
<i>Single-household, duplex, and townhome rentals</i>	14,419	16% <i>(38% of all rentals)</i>
<i>Multi-household, mixed-use or manufactured housing rentals</i>	23,669	27% <i>(62% of all rentals)</i>

**Note: This data is the best available information at present but should be interpreted as an estimate because of potential data gaps or lags in reporting property information.*



- **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**



Prior Council Work Sessions (October 2021, August 2022) covered:

- Problem to be addressed
- Current Market Conditions
- Peer City data
- Best Practice Research
- Public Engagement from multiple stakeholders
 - Taskforce recommendations
 - Community + Rental Industry Questionnaires
 - Input from a variety of committees, boards, and community groups

August 2022 – staff directed to bring forward a rental housing program design that included proactive inspections.

January 2023 – staff directed to outline a registration option that would **not** include proactive inspections.

Option 1: Registration + Improved Complaint-Based Inspections

- Registration of all rental properties
 - Self-attestation
 - Submit 3rd party inspections
- No proactive inspections
 - Improved education/outreach
 - Enhanced mediation services
- \$37/property and \$10/unit annually
- Inspections based on habitability and safety standards
- City staff conduct inspections only upon complaint
- Start-up costs \$1.1 million
- Staffing 7 FTE (decreased inspectors and added a mediation specialist)



Option 2: Registration with Delayed Proactive Inspections

- Registration of all rental properties
- Inspections every 5 years *unless*
 - Less than 10 years old
 - HUD inspected
 - Third-party inspection completed
- Fees and number of inspections recalibrated based on the first year
- Inspections based on habitability and safety standards
- City staff conduct inspections
- Complaint-based system still available
- Start-up costs \$1.1 million
- Staffing 7 FTE to start, then TBD (supported by program fees)



[This Photo](#) by Unknown Author is licensed under [CC BY-SA](#)

Option 3: Registration with Proactive Inspections

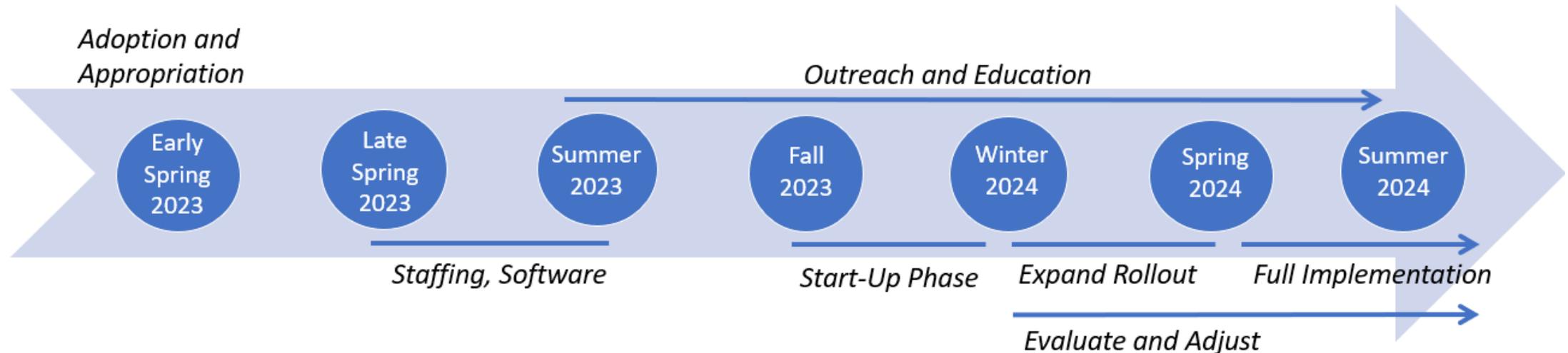
- Registration of all rental properties
- Inspections every 5 years *unless*
 - Less than 10 years old
 - HUD inspected
- \$53/property and \$19/unit annually
- Inspections based on habitability and safety standards
- City staff conduct inspections
- Complaint-based system still available
- Start-up costs \$1.6 million
- Staffing 8.5 FTE



[This Photo](#) by Unknown Author is licensed under [CC BY](#)

Start-up Budget Comparisons	Option 1 &2	Option 3
Salaries and benefits 1. Manager, 2 Engagement, 2 Admin/Tech, 2 inspectors 3. Manager, 1 Engagement, 2 Admin/Tech, 4.5 inspectors	\$862,500	\$1,176,173
One-time costs <ul style="list-style-type: none"> Vehicles, software, computers, initial clothing & equipment, etc. 	\$147,120	\$223,380
Annual costs <ul style="list-style-type: none"> Marketing, postage, phones, vehicle maintenance and fuel, clothing, etc. 	\$97,500	\$147,550
TOTALS	\$1,107,120	\$1,547,103

What is the timeline for implementing a rental housing program?



	Rental Registration with Improved Complaint-Based Inspections (Option 1)	Rental Registration with Proactive Inspections (Options 2 and 3)
At its most effective:	<ul style="list-style-type: none"> - Complete database of rental housing - Incremental improvement of rental housing stock via improved complaint-based system - Improved tenant/landlord relationships via additional mediation - Reasonable per property and per unit fees - Costs of the program fully recovered by fees 	<ul style="list-style-type: none"> - Complete database of rental housing - Comprehensive improvement of all rental housing via proactive inspections - Equitable access to safe and healthy rental units - Reduced burden on renters to report issues - Provides marketable certification from the City that helps landlords/property owners attract tenants - Consistent approach via utilizing in-house inspectors - Reasonable per property and per unit fees - Costs of the program fully recovered by fees
At its least effective:	<ul style="list-style-type: none"> - Incomplete database of rental housing - Complaint-based inspections may not provide protections for all renters - Self-attestation may result in noncompliance, enforcement challenges and lower housing quality - Access to safe and healthy rental housing contingent on tenant power, resources, and knowledge to recognize and report concerns - Annual fee analysis could result in a need to increase program fees to cover costs - Noncompliance could limit program effectiveness 	<ul style="list-style-type: none"> - Incomplete database of rental housing - May displace renters in cases of serious concerns - May result in cost burdens for tenants (via increased rents) and/or for landlords if expensive repairs required - High costs could result in landlords exiting the market - Annual fee analysis could result in a need to increase program fees to cover costs - Noncompliance could limit program effectiveness

	Option 1: Registration + Complaint-Based Inspections	Option 2: Registration + Delayed Proactive Inspections	Option 3: Registration + Proactive Inspections
Registration	All rental properties Local contact/owner info Self-attestation Submit 3 rd party inspections	Same as Option 1	Same as Option 1
Inspections	Complaint-based only	Complaint-based only in Year 1, then every 5 years	Every 5 years
Exceptions	N/A (no proactive inspections required)	<ul style="list-style-type: none"> • Less than 10 years old • HUD inspected • Third-party inspected 	<ul style="list-style-type: none"> • Less than 10 years old • HUD inspected
Fees	\$37 per Property \$10 per Unit	Same as Option 1, TBD when inspections added	\$53 per Property \$19 per Unit
Staffing	7	7, TBD when inspections added	8.5
Start-up Cost	\$1.1 million	\$1.1 million	\$1.6 million

Would Council like to take further action on any of the options presented?





THANK YOU!

For More Information, Visit

<https://www.fcgov.com/rentalhousing>



- Overall positive impact on equity, social health, and environmental health. Mixed impact on economic health. Considerations and mitigation measures include:

Consideration	Potential Mitigation
Renter displacement	<ul style="list-style-type: none"> • Strengthen mediation program • Motel vouchers (short-term critical repairs) • Referral - service agencies, legal services, homelessness programs (e.g. rapid rehousing)
Increased rents due to program/ compliance costs	<ul style="list-style-type: none"> • Monitor costs and impact on rents over time • Keep fees as nominal as possible • Educate/refer to assistance programs, loan programs, and rebates for repairs (e.g. EPIC loan program)
Cost burden, especially for small landlords	<ul style="list-style-type: none"> • Consider grant program in exchange for cap on rent increases • Keep fees as nominal as possible • Educate/refer to assistance programs, loan programs, and rebates for repairs (e.g. EPIC program)

Anticipated Number of Inspections

Units and Properties	Inspections			
	Pct. Inspected	Properties	Units	Estimated Inspections
Inspection Exempt	0%	678	5,954	0
Inspection Required		11,818	21,526	11,965
Single Family Detached	100%	7,377	7,377	7,377
Single Family Attached	100%	2,471	2,471	2,471
Duplex	100%	1,134	1,134	1,134
Multi Unit (less than 100 units)	10%	564	4,518	452
Multi Unit (more than 100 units)	5%	30	5,784	289
Mobile Homes	100%	242	242	242
Reinspection Estimate	60%			7,179
Total Annual Inspections	20%			3,829

Inspections

- Internal rental inspection team
- Inspections every 5 years

Building Type	% Inspected
Single unit, detached	100%
Single unit, attached (e.g., townhouse)	100%
Individually owned (e.g., condo)	100%
Multi-unit, 0-10 units`	100%
Multi-unit, 11-100 units	10%
Multi-unit, 100+ units	5%

- Exemptions:
 - Less than 10 years old
 - HUD inspected

