



Rental Housing Task Force Meeting #2

Overview: Rental License/Registry Programs and Rental Inspections

Marcy Yoder, Neighborhood Services Manager

Meaghan Overton, Housing Manager

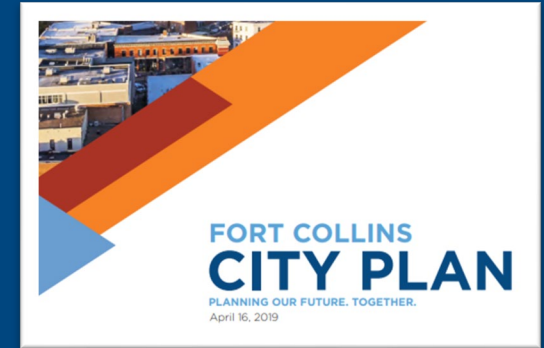
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- **Strategy 20** - Explore the option of a mandated rental license/ registry program and pair with best practice rental regulations.
- **Strategy 21** - Explore revisions to occupancy limits and family definitions in order to streamline processes and calibrate the policy to support stable, healthy, and affordable housing citywide.
- **Strategy 26** – Develop small landlord incentives.



- **Big Move 6:** Efficient, Emissions Free Buildings
- **EEFB3:** Continue and expand home and business energy efficiency programs.
- **Big Move 7:** Healthy, Affordable Housing
- **HAH2:** Explore revisions to the City's occupancy ordinance
- **HAH6:** Explore mandated rental license/rental registry



- **LIV 5:** Create more opportunities for housing choices
- **LIV 6:** Improve access to housing ...regardless of their race, ethnicity, income, age, ability, or background
- **LIV 6.7:** Encourage the private development of affordable housing by offering incentives...for the construction and rehabilitation of long-term affordable housing units

Everyone has healthy, stable housing they can afford

Healthy



1 in 4

households report a family member with a respiratory ailment

Stable



46.9%

housing units are renter-occupied

Affordable



60.6%

rental households are cost-burdened

Why are we looking at rental licensing, occupancy, and small landlord incentives?

- *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**
 - Fear of retaliation or loss of housing if renters report substandard or unsafe units
 - Concerns about discrimination
 - Lack of choices and affordable options attributed to current occupancy restrictions
 - Many opinions about the best approach to “right-sizing” the City’s occupancy ordinance





How does the City currently address health and safety in rental housing?

Habitability Standards and Complaint-Based Inspections

Who is impacted?

- 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, detached rentals</i>	14,419	16% (38% of all rentals)
<i>Multi-household, mixed-use or manufactured housing rentals</i>	23,669	27% (62% of all rentals)

**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.*

WINDOWS

Basement apartments after October 1945, and ALL housing after October 1958, have minimum window area for light and ventilation requirements.

Insect screens are required during the summer months on ALL doors and windows used for ventilation.

Security locks required on ALL entrance doors and ALL windows with access from ground.

Stairs, hallways and exits which serve more than one unit must always be lighted (natural or artificial).

KITCHENS & BATHS

All houses and apartments must have a kitchen and a bathroom, both with sinks supplying hot and cold running water.

One bathroom must have a bathtub or shower, sink and toilet and ensure privacy.

EXITS

It's important to remember every rented apartment, lodging or room must have direct access outside OR to a public corridor leading directly to an exterior exit.

Exits must be maintained in safe condition and in accordance with the applicable code when the unit was first authorized for occupancy.

FIRE & CARBON MONOXIDE

All rentals/houses must have smoke detectors throughout and in each bedroom.

A carbon monoxide alarm is required if there are gas heating/cooking appliances or an attached garage.

When there's a fire, it's crucial all bedrooms below the fourth story have an operable exterior emergency exit window or door.

1. Be "operable" from the inside without special tools or knowledge.
2. Have a clear opening no more than 44" or 48" above the floor.
3. Have a minimum clear opening area of five square feet (30" x 24")

ELECTRICITY

All electrical equipment and appliances must be maintained safe and according to the following:

1. All habitable rooms must have at least two electric outlets.
2. Outlets within reach of laundry appliances and piping must be electrically grounded or be provided with GFCI (ground fault circuit interrupter) protection.
3. Branch circuits, feeder panels, etc. must be protected by properly-sized fuses or circuit breakers.
4. Extension ("zip") cords wired directly to permanent wiring, inside walls, through floors, under carpets, etc. are prohibited.
5. All outlets in bathrooms, garages, kitchens and exteriors shall be protected with GFCI.

Rental Housing Standards



HEATING

All habitable rooms and bathrooms must be capable of maintaining the indoor temperature of 68° Fahrenheit except when it's colder than 4° Fahrenheit outside.

Portable kerosene, propane heaters or non-vented gas heaters are dangerous and illegal.

All heating equipment and appliances must be maintained safe according to the code.

All gas-fired heating equipment must:

1. Have automatic safety fuel shut-off.
2. Have accessible manual fuel shut-off.
3. Have listed appliance fuel connector.
4. Have approved vent (chimney).
5. Have adequate combustion air to prevent carbon monoxide escaping into the unit.
6. NOT have the only access to the equipment through a bedroom or bathroom unless the equipment is sealed-combustion or is in an enclosed room with direct outside combustion air.
7. NOT discharge air from one housing unit to another through central heating.

STAIRWAYS

Stairs from basement apartments and stairs serving more than one unit must be at least 30" wide with 75" of headroom and have handrails.

All occupants must have direct access outside OR to a public corridor leading directly outside.

VIOLATIONS & COMPLIANCE

City inspectors are authorized to inspect rentals accompanied by the tenant or owner at reasonable times when there is cause to believe unsafe conditions are present.

Depending on the conditions, the City could allow several weeks for corrections or quickly post the unit unsafe and condemn it from occupancy.

Once the property owner is notified, the needed corrections must be completed within the time specified or an appeal must be filed.

Rentals with two or more units must have a CO (certificate of occupancy) or equivalent document on file with the City.

KEEP VEHICLES OFF THE GRASS

Parking on the front lawn is illegal in Fort Collins.

IN GOOD WORKING ORDER

Plumbing, fire sprinklers, structural elements, foundations, floors, walls, roofs, masonry fireplaces and chimneys must be maintained in safe condition and according to the code in effect at the time of their legally-authorized installation or construction.

SHELTER

Rental housing must provide shelter from the weather.

Community mediation is voluntary for both parties.



Mediation services and referrals:

- Free, low-cost legal services
- Information on mediation process
- Information on rental standards
- Referral to City rental inspector
- Conflict coaching
- Other resources



What do other communities do to address health and safety in rental housing?

Peer Cities Research

What do other communities do? What are the best practices?

Investigated rental programming and occupancy approaches for 40+ cities, 22 in Colorado

Key take-aways:

- If the City implements a rental licensing program, it should include:
 - Inspection of units
 - A fee structure designed to cover program costs
 - Training for staff, landlords, and tenants
 - Involve landlords and tenants in program design and implementation
- Consider revising the current occupancy ordinance to regulate based on household functionality rather than familial relatedness.

What do other communities do? What are the best practices?

Deep dive interviews with:

- Ames, Iowa
- Austin, Texas
- Boulder, Colorado
- Corvallis, Oregon
- Kansas City, Missouri
- Lawrence, Kansas
- Manhattan, Kansas
- San Marcos, Texas
- Seattle, Washington
- Westminster, Colorado

Program Components:

- Mix of **mandatory/voluntary** programs
- Lic/reg **fees** range from \$0-\$50 per unit; or \$70-\$350 per property or bldg.
- Most (but not all) include **inspections** (mix of proactive and reactive). Inspection fees range from \$0-\$50 per unit.
- Fees set by **cost recovery targets** (none exceed 100% cost recovery)
- **Inspection frequency** ranges from once a year to once every 10 years.
- **Other common elements** include local contact, education/training for landlords, partnerships with local universities to address issues of student nuisance behavior.
- Occupancy regs ranges from 2 – 6 unrelated

Regulating Rental Housing

How could the City of Fort Collins regulate rental housing to help achieve the vision?



Occupancy

- Limits number of individuals in a dwelling unit
- 30% of communities reviewed have a “unique occupancy” element



Registration

- Disclose rental unit and provide basic information
- 60% of communities reviewed have a registration element



Licensing

- Obtain a license to rent a unit
- 30% of communities reviewed have a licensing element



Inspection

- Examination of dwelling unit conditions
- 90% of communities reviewed have an inspection element



What options could Fort Collins consider?

Proactive, Reasonable, Equitable Regulations

Considerations for Fort Collins

How could the City of Fort Collins regulate rental housing to help achieve the vision?



Occupancy

- Minimal impact on health and safety
- Pair U plus 2 with another type of regulation



Registration

- Helpful to establish a baseline
- More effective in addressing health and safety if paired with inspection



Licensing

- Provides motivation to comply since license can be revoked
- More effective in addressing health and safety if paired with inspection



Inspection

- Best way to ensure health and safety
- Can phase or scale to address a subset of properties

Key Themes from Initial Landlord Conversations

- Policies should target specific “problem” and allow for safe harbors (e.g., units inspected or licensed under other programs)
- Strengthen/improve current structures: complaint systems, minimum housing standards, code enforcement, parking, noise, etc.
- Inspection standards should be reasonable, focusing on basic health/safety standards.
- Concerns that licensing/inspections will add costs and increase rents.
- Relaxing occupancy regulations would be beneficial

- Round 1: Licensing and registration: How might the City address tenant concerns without harming responsible property managers?
 - Mandatory/voluntary program
 - Fee structure
- Round 2: What would a defensible inspection program entail?
 - Inspection frequency
 - "Safe Harbors"
- Round 3: How could a conflict resolution process be designed to protect everyone?



- Registration or licensing?
- Require inspections?
- Flat or tiered fees?
- Total fee amounts
- Desired amount of cost recovery
- Inspection frequency
- “Safe Harbors”

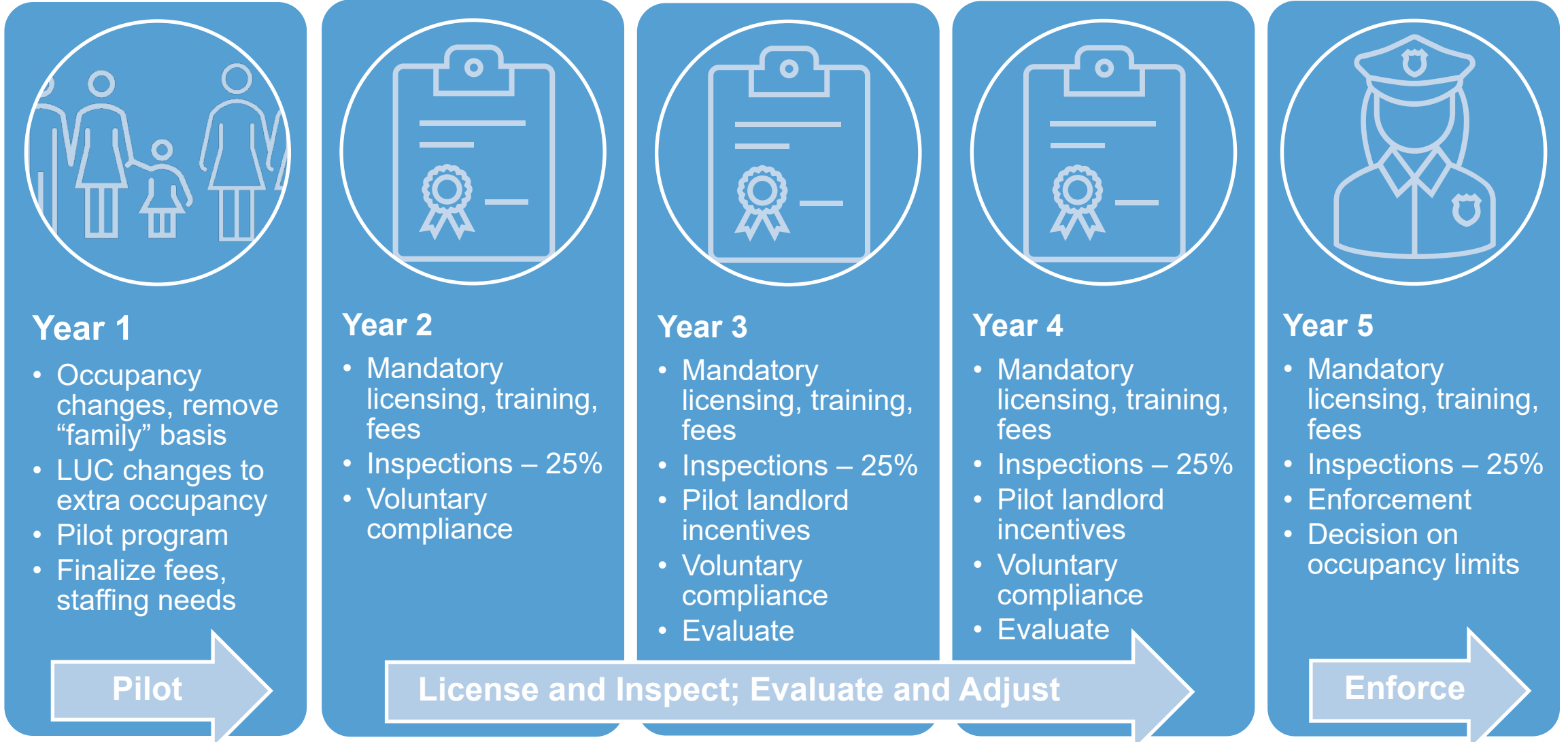
THANK YOU!



How and when could implementation happen?

- Research to date suggests that programs should be designed to create full cost recovery; however, initial program funding will be needed.
- If Council wishes to implement rental licensing, funding will be pursued as part of the Budgeting For Outcomes (BFO) process in the 2023-2024 budget cycle.
- Decision points that influence total startup cost:
 - Number or percentage of rental units inspected annually
 - Frequency of inspections
 - Fee structure – assessed per unit or tiered based on number of units, affordable units, etc.
 - Costs of tracking software
 - Number and types of staffing needed (inspectors, program manager, admin support)

How and when could implementation happen?



Fewer attainable options are available to Middle Income Earners

Purchase Price

\$300K

\$375K

\$450K

Below 80% AMI is City's Definition of Affordable Housing

Market Housing



AMI 0%

80%

100%

120%

200%

\$76.7K/yr

\$95.9K/yr

\$115.1K/yr

Goal is defined by HSP (~ 282 units/year)

Goal is harder to define & City influence may be outweighed by market forces