

**HOMEWORK, RENTAL HOUSING TASK FORCE, 6/22/2022**

**Item #1 – Follow-up Email from U+2/Occupancy discussion Panelists**

Good morning,

The three of us want to thank you both, and each member of the Rental Task Force, for the time you provided us to share the positive attributes of the occupancy ordinance, and for this opportunity to follow up with your Listening Panel discussion.

As we look through our notes and data, one thing is clear: the occupancy ordinance has worked, and is working, to protect the quality of life for residents in Fort Collins. It also is clear that a seismic shift in affordability has occurred across the United States, with Fort Collins being affected just as every other city has.

Home ownership is one of the most reliable ways that families across the country build generational wealth, enabling them to send their children to college, explore their dreams and aspirations, and build a secure retirement. The occupancy ordinance has been key to keeping many neighborhoods in Fort Collins available for a wide diversity of people to achieve the "American Dream". Fort Collins' rate of homeownership is far below both the state and national levels.

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United States

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Colorado

Fort Collins, CO

Owner-occupied housing unit rate, 2016-2020

64.40%

66.20%

55.30%

Source: US Census Bureau

Undoing occupancy limits to try and create affordable housing is not economically logical. When houses with four or more bedrooms are made available to be rented to four or more tenants, investors (with cash) will be more likely to outbid families and will rent all the available bedrooms for the market per-bedroom rate. This means fewer houses available for families with mortgages to buy.

As a top 8 community in emerging housing markets, Fort Collins has become even more attractive to investors who have no accountability in Fort Collins and no interest in being our neighbors. They seek only to maximize their investments.

The City of Fort Collins organization must partner with builders to create diverse, equitable, and affordable housing. Using our neighborhoods to fix these issues is akin to the proverbial 'peg in a square hole'. Fort Collins must construct, not destroy, housing stock.

Renting shelter to tenants is an awesome responsibility. From carbon monoxide poisoning, open flames, mold, and structural issues such as sewage and plumbing, tenants must be assured that their living spaces are unquestionably safe and sound. Rental licensing ensures that the investors and businesses selling rental housing to the public have done everything necessary to ensure that they are providing shelter which isn't dangerous.

Page 16 of the Housing Strategic Plan is reckless. This ordinance works to support all of the residents of Fort Collins, particularly those in our oldest and poorest neighborhoods, in ways that the more affluent neighborhoods in Fort Collins take for granted.

For many residents, the occupancy ordinance along with other quality-of-life codes are the closest thing to a home owners association they have. The value of the occupancy ordinance has been tangible to thousands of residents who haven't even been aware of its existence.

The goal for Fort Collins should be that every neighborhood is thriving, vibrant, and connected. The three of us have lived the results of the occupancy ordinance; it is undeniable that our neighborhoods have become healthier and safer places because of it. We implore that the Rental Task Force retain it in order to help maintain access to home ownership and quality of life in the Choice City, for every resident..

Thank you again for your time, and for incorporating our concerns into the work of the Rental Task Force.

Best regards,

Paul Anderson  
David Roy  
Lloyd Walker

<https://www.globenewswire.com/news-release/2022/04/26/2429005/6837/en/Wall-Street-Journal-and-Realtor-com-Release-Spring-2022-Emerging-Housing-Markets-Index-Report.html>

Fort Collins is #8 in this ranking of emerging housing markets in the United States

<https://www.nytimes.com/2022/05/01/upshot/pandemic-housing-market-wealth.html?searchResultPosition=1>

*" .....because homeownership is so widespread in America, the poorest fifth of households have also added billions in home equity in the last two years. In percentage terms, they've seen the biggest increases in wealth."*

*"Millions of people — broadly spread among the 65 percent of American households who own their home — have gained a share of this windfall."*

<https://www.census.gov/quickfacts/fortcollinscitycolorado>  
Owner occupied percentage of 55.3 in Fort Collins

<https://www.nytimes.com/2022/04/23/us/corporate-real-estate-investors-housing-market.html#:~:text=But%20their%20share%20is%20growing,to%20the%20realty%20company%20Redfin.>

*".....their share is growing: Real estate investors bought a record 18.4 percent of the homes that were sold in the United States in the fourth quarter of 2021, up from 12.6 percent a year earlier, according to the realty company Redfin."*

<https://www.axios.com/2022/02/18/investors-homes-wealth-families>

*"The share of American homes sold to investors hit a record high of 18.4% in the fourth quarter of 2021, according to a [recent report](#) from real estate firm Redfin. These investors bought roughly 80,000 homes worth \$50 billion during the last three months of the year."*

[https://policyadvice.net/insurance/insights/home-ownership-statistics/#:~:text=The%20national%20rate%20of%20homeownership%20in%20the%20US%20is%2064.8%25.,-\(Source%3A%20US%20Census&text=Data%20from%20the%20US%20Census,above%2069%25%20back%20in%202004.](https://policyadvice.net/insurance/insights/home-ownership-statistics/#:~:text=The%20national%20rate%20of%20homeownership%20in%20the%20US%20is%2064.8%25.,-(Source%3A%20US%20Census&text=Data%20from%20the%20US%20Census,above%2069%25%20back%20in%202004.)

*"Data from the US Census Bureau indicates the current rate in the US is 64.8%. This is an increase since the year 2016, which had a rate of 63.5%. Prior to 2016, the rate steadily declined; it was above 69% back in 2004."*

**Item #2: List of programs, etc. that the City has implemented to address nuisance issues:**

Council approved and staff implemented proactive patrol of the entire City for nuisance code violations. All public streets and alleys are visited every 4 to 6 weeks to proactively address things like trash, rubbish, tall weeds/grasses, inoperable vehicles, etc.

- 1) RP3 - residential parking program in neighborhoods surrounding campus.
- 2) Community Liaison position and programming. This is a shared position between Neighborhood Services and Off-Campus Life. The goal is to help educate students on how to be a good neighbor, while supporting the surrounding neighborhoods.
- 3) Neighborhood Services and Off-Campus Life are joined by Fort Collins Police Services and CSU Student Resolution Center in a concerted effort to work together on strategic planning, program development, and creative problem-solving to address neighborhood issues involving students. This partnership has resulted in a variety of programs, as well as the opportunity to problem-solve around specific addresses and situations. CSU has also changed their conduct policy to hold students accountable to their behavior both on and off campus. Following is a list of some of the standing programs/activities/processes in place:
  - a) Party registration - allows for a call to go to the host telling them to disperse the party before police are dispatched. Also includes an education piece on how to host a party.
  - b) Party patrol - police are proactively in neighborhoods the first couple of weekends of the semester and around "party" holidays like Halloween, etc.
  - c) Police referrals straight to Student Conduct rather than writing summons to court. This provides opportunities for students to learn and understand impacts and correct behavior in the future. This doesn't add to a criminal history or incur ticket fees.
  - d) Community Welcome - CSU and City police, staff, students visit up to 1500 homes around campus to share information and welcome folks to the neighborhood. For longer term residents, this serves as a check-in on how things are going.
  - e) Fall Clean-up - over 1,000 student volunteers rake leaves etc. for local residents who are disabled or seniors. The goal is to build relationships and understanding between the two.
  - f) Shovel Snowdown - free shovels after listening to code information on snow removal
  - g) Rams around the Fort - proactive education on city codes and neighboring skills for freshman prior to moving off campus.
  - h) There are also jointly taught classes on city codes and impacts to neighborhoods as part of the student resolution process.
  - i) Annual neighborhood meeting in Avery Park to address questions, concerns, and encourage neighbors to get to know each other. Held as an open house style event in the park with pizza, block party trailer, and City/CSU staff from variety of offices. Last year also included ASCSU.

Additionally, there have been other programs and will continue to be new programs as community needs emerge, change, etc. In the last 5 years there have also been several large student-focused housing complexes built and this too has an impact on where students are currently choosing to live.

**Item #3: Notes from Benton Roesler, U+2/Occupancy discussion panelist**

**U+2 Research:**

**Fort Collins U+2 Occupancy Rule:**

"Occupancy in a residential dwelling unit (single-family, duplex, and multifamily) is restricted to:

one family as defined below (Section 5.1.2) and not more than one additional person;

OR

one adult and their dependents (if any), a second adult and their dependents (if any), and not more than one additional person."

**No more than three unrelated people can live in a house**

*NOTE: THE U+2 ORDINANCE IS NOT APPLICABLE TO MOST APARTMENT COMPLEXES,  
GRANTED THAT THEY RECIEVE EXEMPTIONS*

"Keating Memo" Housing and Urban Development:

"Specifically, the Department believes that an occupancy policy of two persons in a bedroom, as a general rule, is reasonable under the Fair Housing Act."

Adamson v. City of Santa Barbara (1980):

"Rule of 5" → U+2 but 5 people

It was created originally for "serving the public health, safety, comfort, convenience and general welfare..." (almost identical language to U+2)

12 people in a 10 bedroom house claimed this was marital status discrimination against those in "alternate families" and the law served no true purpose

The court found the ordinance's "rule-of-five" did not promote the stated goals of " 'serving the public health, safety, comfort, convenience and general welfare and ... providing the economic and social advantages resulting from an orderly planned use of land resources, and ... encouraging, guiding and providing a definite plan for future growth and development' " of the city, or prohibiting activities of a commercial nature and developing and sustaining a suitable environment " 'for family life where children are members of most families.' "

The court determined: 'the 'rule-of-five is not pertinent to noise, traffic or parking congestion, kinds of activity, or other conditions that conceivably might alter the land-use-related 'characteristics' or 'environment' of the city.

The court in Santa Barbara found that the "city's stated goals could be satisfied by less restrictive means, such as regulating population density based on floor space and facilities, regulating noise by enforcing ordinances and criminal statutes, and regulating traffic and parking by limiting the number of cars permitted [at] a household and by offstreet parking requirements"

Fort Collins already has noise ordinances, party registration, and other laws that actually do serve the purpose that they state U+2 serves. They use U+2 as a parking law with no other parking law in the books and as a noise ordinance even though we already have one that does a fantastic job. U+2 serves no true purpose under its outlined intention because the outlined intention is not why it exists. It exists as a systemic denial of access to housing for students, those of low income, those entering the workforce, and anyone unmarried. The champion of this law, Kelly Ohlson, even told CSU students in a roundtable discussion that he believed growth was not inevitable, and that Fort Collins can stop growing. He believes U+2 is the best anti-growth legislation ever. Anti-growth doesn't stop growth, it makes growth a harder battle with less certainty for both individuals and the city. Filling every bedroom is the greatest way to understand the housing crisis we're facing. Until we have every bedroom filled, we have no true measure of where we're at capacity-wise.

Governor Opinion:

Governor Polis - We met with Governor Polis last Thursday at the state capitol and talked about U+2. He agreed that he would endorse a law that ensures that every bedroom *at least* has one person in it. U+2 makes that illegal in college student cases.

**2020 HUD-Adopted test to prove disparate-impact discrimination**

(1) That the challenged policy or practice is arbitrary, artificial, and unnecessary to achieve a valid interest or legitimate objective such as a practical business, profit, policy consideration, or requirement of law; (2) That the challenged policy or practice has a disproportionately adverse effect on members of a protected class; (3) That there is a robust causal link between the challenged policy or practice and the adverse effect on members of a protected class, meaning that the specific policy or practice is the direct cause of the discriminatory effect; (4) That the alleged disparity caused by the policy or practice is significant; and (5) That there is a direct relation between the injury asserted and the injurious conduct alleged.

**Discrimination (connected to (1), (2), (3), (4)):**

- City staff flagged houses of POTENTIAL violations AFTER Aug. 1 move in date for college students in 2018. Over 40 additional units were flagged for over-occupancy (Coltrain, 2018) **(1) (2) (3) (4)**
- Over 1/3 of all potential violations were Campus West (Coltrain, 2018) **(2)**
- The law is discriminatory under Colorado Statute (Colorado Law, **C.R.S. 24-34-501 et seq.**) and must be immediately removed as it discriminates against a protected class of citizens, being those in alternate families or unmarried **(1) (2) (3)**
- Corona Insights report from 2018 found that 47% of violations were students, with 42% being non-student adults, and 10% being Pre-K to 12th grade students **(1) (2) (3) (4)**

**Student Testimony:**

"I've had a series of different rental houses and apartments in Fort Collins. I lived in a small studio apartment last year and recently had to move back in with roommates because I couldn't afford to keep living alone.

I have a college degree and a steady income, it's just that the housing market here favors landlords so much more than tenants. "

A one bedroom apartment cost nearly \$1300 a month.

In my case, my lease at Rams Village ended 3 weeks before my lease began at Rams Pointe. My only option was to spend an exorbitant amount of money to live in an Airbnb for those 3 weeks. These student housing landlords are not understanding or flexible at all. Because I have 2 jobs and a cat, driving 1000 miles back to my parents' house was not an option.

**I've always broken the U+2 rule and had at least 4 people living in houses because that is the only way I can afford rent here, which is really upsetting after growing up here. I've been harassed by neighbors and the City while breaking U+2 with people peeking into our windows unannounced and sneaking around the property to see if we were breaking the rule. There is enough affordable housing for everyone, it's the U+2 and anti-homeless sentiments that perpetuate housing issues.**

"This is a previous email I wrote last semester. I sugar coated this to avoid getting in legal trouble, this was our story. 6 of us lived in a 4 bedroom, 5 bathroom, 3 level house with an empty basement. We could've fit 8 if we wanted. Without breaking U+2, our rent would've been \$1,200 each for 3 people. Absurd. And would've had huge empty spaces. Now we are lucky to live legally, since a few of my roommates were getting anxiety about breaking the law, in a 6 bedroom house that's zoned for us to all be on the lease. But there's a price to pay, \$710 a month, over \$200 more/month than last year. Seems ethically controversial.

""Dear Ross Cunniff,

My name is Claire [removed last name] and I'm currently a second-year student at Colorado State University and a Colorado voter living in an off-campus house with my five best friends. Three of us are studying Natural Resources, two are studying Fashion and Apparel Merchandising, and one is studying Hospitality Management. We are employed throughout town in various fields as well as active in the university's Snowriders, Outdoor and French clubs. Although the six of us are diverse in socio-economic class, interests, and dreams for our future, we do have similar political views on how we want to change the world's issues of; sustainability, hunger, poverty, homelessness, gender equality, and racial awareness.

As a home, we are fortunate to live legally but know many friends who are negatively impacted by U+2 restrictions. Some live illegally, with more than three in one home in order to keep rent affordable. That 4th or 5th person in their home is critical to the ability to have money remaining after rent and tuition; the money they save by living illegally allows them to have enough money for food, gas, and household items. But, when their landlord notifies them of an inspection just

two hours before arrival, suddenly they are in a panic to make their house look like only three people live there. This means dragging beds, dressers, and personal belongings to neighbors and cars. This inspection may only last 10 minutes for the leasing company, but an entire day of packing and unpacking for tenants. During this day, the moving process takes priority and halts all school work, part-time jobs, and regular self-care.

According to Maslow's Hierarchy of Needs, before any other need can be met, physiological needs are first. This includes shelter. The next tier requires safety and security. To be a productive civilian of Fort Collins, these basic needs require fulfillment which is nearly impossible when either;

- a. You have to move out abruptly and without notice
- b. You are unable to afford rent with just 3 people splitting the cost

The constant U+2 worry is a persistent distraction in a student's life from engaging in daily activities. As it is clear, students and lower-class citizens of Fort Collins are negatively impacted by the law that is outdated, exclusive, and rooted in racism. Yet, when discussing with friends in different cities around the country- all have the same reaction when I explain U+2, ""How can they do that?!" According to the city website, the reason for this occupancy limit is, ""The City addresses occupancy to help ensure health and safety of residents, and to help protect the quality and character of neighborhoods."" Yet, for my friends who take wonderful care of their homes around the city, there is no evidence that living with 4+ unrelated people causes safety concerns or disruption for the city. But it does for the tenants.

**As a voter, I'm excited to see what initiatives will be done to reverse this law. Me + 3 may be inclusive for another thousand residents but not nearly enough to make residents feel at home, safe, or wanted in the community. I encourage you to look at other college city's occupancy laws and discover more inclusive and affordable occupancy limits."""**

The utilities are expensive and rent is always going up every year my stipend barely increases to meet the cost of rent.

At a previous place we had cleaning fees above security deposit. Only one of us was notified. I ended up in court for lack of knowledge and response.

I live in a mobilehome and the park keeps raising the rent (roughly 845 for the land our home sits on). Their rules have cost us thousands of dollars during the pandemic alone. They made us paint our home a slightly lighter shade of blue for \$3000, because they've suddenly decided it was too vibrant. You can be evicted easily and the park will take your mobile home because they know we cannot afford the cost of moving it. They will charge fees for every small thing.  
No

something happened over the summer that resulted in my house not having running water for 10 full days. my landlord was callous when treating the issue and refused to answer phone calls. he also failed to provide somewhere else for us to stay so we were forced to drive to a gas station or use the yard to go to the bathroom and do dishes

I lived in a 5 bedroom house that couldn't be filled all the way legally. The realtor that showed us around and led us to finding that house specifically said "there are 5 rooms, but you only need to submit 3 leases." She made it seem like we could fill the house and be okay. Later, we got an email saying they have evidence we over occupying the house. 3 of use ended up paying over \$700 in rent by the end instead of less than \$500. My House Properties weaseled is into believing this would not happen and then it did.

I had to drop out of school to pick up more shifts at my low end, fast food job (after switching jobs 2 times because I wasn't making enough) in order to make rent for an apartment. My partner and I have considered getting married so she can move in and make rent easier but even if we did get married, it wouldn't help because the U+2 law still counts us as 2 separate people even though we would live in the same room. It is getting harder and harder to find jobs that pay enough to support me, my partner, and our dog.

I live at the university apartments, so i've had no issues

I had to obtain emergency housing in the dorms my second year of college, due to COVID 19 and the U+2 rule due to not finding affordable housing in a timely manner before the semester. All of my options kept falling through, or housing turned out to be too expensive for me and thus putting me in a situation of sleeping on a friends couch before even getting a dorm room. Once I was officially approved for a simple apartment, with a co-signer, which was way too expensive for me, I was able to move out of the dorm During the semester. However, I am stuck in the never-ending cycle of paying rent that is more expensive than my paychecks, simply because I can't live in a house of 4 people, which would make living in Fort Collins more affordable.

**I am not personally affected because of generational wealth.**