

Fort Collins City Council Regular Meeting Rental Housing Program

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Agency: Fort Collins City Council

Agency website: [City Council - City of Fort Collins \(fcgov.com\)](https://citycouncil-cityoffortcollins.com)

Date & Meeting time: 4/18/23 @6:00 PM

Members Present: Mayor, Jeni Arndt. Mayor Pro Tem/Councilmember District 6, Emily Francis. Councilmember, District 1, Susan Gutowsky. Councilmember, District 2, Julie Pignataro. Councilmember, District 3, Tricia Canonico. Councilmember, District 4, Shirley Peel. Councilmember, District 5, Kelly Ohlson

Others present to note (media, public, other agencies):

Caryn Champine Planning, Development, Transportation (PDT) Director

Marcy Yoder (Remote) Neighborhood Services Manager

Meaghan Overton Housing Manager

Relevant document links (agenda, meeting packet):

<https://fortcollins-co.municodemeetings.com/bc-citycouncil/page/city-council-regular-meeting-15>

Video:

<https://reflect-vod-fcgov.cablecast.tv/vod/2124-Council-Apr-18-v1/vod.mp4>

Notes

Staff Presentation

Meaghan Overton Housing Manager gave an overview presentation. The rental housing plan is aligned with the housing strategic plan and our climate future plan. Implementation of the plan is transformational which means it should take 2 or more years. In Fort Collins around 40% of housing units are renter occupied. There is no proactive rental inspection system for basic habitability standards, the city does maintain a complaint based rental inspection system.

Tenants are concerned about fears of retaliation/eviction and Increased rental payments. Landlords are concerned about government regulation and the cost of repairs and compliance.

The program approved on first reading includes property registration and delayed pro-active rental inspections. A start-up phase would be focused on outreach and education along with feedback. The program would require property registration, updated annually and after one year inspection once every five years. Property registration would include the property owner, local contact info, types and locations of units, age of units, information about any third-party inspections and self-attestation.

Inspections would begin after the first year of registration by a city staff team and occur once every five years. Up to 10 units would be 100% inspected. For Multi-units of 11-100 10% would be inspected and for Multi-units over 100 5% would be inspected. 3,829 inspections are anticipated annually. Each inspector would perform 5 inspections a day over 47 weeks for a total of 1,175 inspections.

Registration fees of \$37 per property and \$10 for each additional unit would be paid annually.

Funding costs of \$421,583 from 2023 and \$669,500 from 2024 from the general fund would fund the rental registration program development, allow for 4 staff hiring to start, purchase software, and fund program activities and engagement. 7 staff would

be needed for full program implementation.

If implemented, staff would be hired and software would be developed in the Summer of 2023. Outreach and education would occur throughout the program also starting in the summer of 2023 and include lease disclosure, rental assistance programs, complaint-based systems, partnering with low-income advocates and mobile home partners, and training for landlords. Rental registration would start in the winter of 2024 with a rollout in April 2024 city wide. Council would receive program quarterly updates starting in the fall of 2023.

The program is designed to be full fee recovery after the initial funding costs. The city code allows for entry into long-term rentals for inspection and if failure to comply an warrant of inspection can be gained from the Municipal Court. Education efforts will be provided to avoid failure to comply.

Community feedback was collected from over 3500 individuals via 2 questionnaires. Renters supported proactive inspections for healthy and safety violations 47-37%. Homeowners 42-44% and Landlords 15-72% did not. All parties supported inspecting rental properties only when a complaint is filed; Renters 60-22% Homeowners 53-28% and Landlords 56-23%.

A taskforce with tenants and rental industry representatives and a rental industry questionnaire occurred. The consensus was for a registration program with a complaint based inspection process.

Public Comment All except the last commenter do not support the program

Adam E District 2

- 1.1 Million program setup allocation should go through the full budgeting for outcomes process
- Individuals may choose and have legal precedence to block inspections
- Fear from renters having an inspector at the property

Julianne B District 3

- Privacy and property right infringement
- Suggests updating the current software complaint based system
- Fears government inspections for additional items, and rent control may be the end goal

Matthew B District 3

- No comments in support of the program
- No data to support the claim that rental issue exist
- Suggest funds to develop a software program to track rental problems that may exist and then potentially come back to the proposal if a problem is identified.

Amber K

- Thanks for the opportunity to learn and council cares a lot about the city
- Landlord education is excellent personally helped me as a landlord
- Think about landlords working with tenants to make things work

Steve G District 2

- Those that may be displaced from inspections will generally be the most vulnerable with the lowest income

Kelly M District 5

- Wants more input from all stakeholders
- More specific outreach and education strategies
- More positives for registration

Madeline J District 6

- Some tenants don't know about the complaint-based system
- Concerned that multi-unit projects have less inspections required
- Wants accountability for all landlords and tenants

Jamie B District 1

- Supports the program to hold landlords accountable
- Family had/has health issues from living situation, complaint filed, inspector came out, landlord refused to address issues

- Would like renters not to be penalized by the program

Council Discussion

Gutowsky District 1: Question About Public Engagement

City staff: Engagement began with the housing strategic plan and our climate future 2020. Feedback from both plans was for a rental licensing/registration program. Work session with council occurred, feedback was more specific on what a program would look like, this occurred in 2021. Community questionnaire and rental industry questionnaire occurred. Rental housing task force met. Presentations were given to various stakeholder groups.

Councilmember Gutowsky District 1: Thank you, there was a lot of outreach, wrestling with that vs more recent feedback that has issues with the program

Mayor Arndt: Recalled that the taskforce recommended registration only

Overton Housing Manager: Task Force Recommendation was implement mandatory registration and improve complaint based inspection program. Staff said proactive inspections are the only way to address the council question of how many issues there are with rental housing stock. This was not made by the task force

Councilmember Ohlson District 5: Thanks for community feedback. Understands business don't want to be regulated or the city to inspect landlord property. Various businesses are inspected by the government, fire, health etc. Says landlords costs/potential rental increases are minimal maybe \$90 a year for a single family home \$7 or \$8 a month and then potentially spread with multiple renters. Minimal habitability standards (Window egress, smoke and carbon monoxide detectors) might have higher costs but that's worth it for safety. Believes most landlords are following these standards but they are needed for the bad actors and avoid competitive disadvantage. Elasticity of demand not all costs are passed on to the end consumer depends on the market. Low income renters still need places to stay that meet standards. Suggests loans for landlords who can't meet minimal habitability

standards. If no inspections, wants to incorporate feedback for registration system mediation, education, voluntary ranking system etc.

Mayor Pro Temp/Councilmember Francis District 6: Thanks for community engagement and feedback. Wants safe living environment and avoid unintended consequences. There are no options for folks on the margin living in substandard housing. Supports registration to communicate with landlords. Supports education and outreach including funding organizations engaged in the work. Supports enhanced mediation and protection for tenants. Supports registration program with these components and working with the community to address safety and compatibility. Consider mid-year appropriation for revolving loan fund for landlords to improve properties to habitability standards. Come back to this issue with better data in 2-3 years.

Councilmember Pignataro District 2: Thanks for community engagement and feedback. Problem is balancing “good” and “bad” landlords. Initially thought year-18 months was enough time to get data, now 2-3 years. Fix existing system, partner with non-profits on education including lease components and outreach so people know about the complaint-based system and there are safeguards against retaliation. Supports landlord loan program. Suggest vote no. Wants more education and outreach, minimal habitability standards clearly defined, landlord ranking database, ideas and suggestions compiled.

Councilmember Canonico District 3: Thank you for community feedback and engagement. Wants to ensure mediation is also explored. Loan program like epic homes.

Councilmember Gutowsky District 1: Need robust complaint data gathering system. Supports registration system to help with education and outreach. Recognizes appropriation may be needed. Supports guidance on leases for landlord and tenant responsibilities.

Councilmember Peel District 4: Raises concern about enough time for city staff to come back with registration and education and outreach and plans to improve data gathering by May 2nd

City Staff: Registration Ordinance only with additional work in the background possible by May 2nd if additional ordinance language then more time

Councilmember Peel District 4: Wants to give everyone more time, maybe have an additional work session

Mayor Arndt: Ok with registration ordinance with high level education, outreach language May 2nd. Trusts staff to work out the details. Thanks community for feedback and suggestions. Supports check in on work in the future. Looking for “more hopeful” ordinance vs punitive one trusts all stakeholders have good intentions.

Mayor Pro Temp/Councilmember Francis District 6: Request for financial impacts on the asks.

Councilmember Ohlson District 5: Request for when registrations could start. Status quo is not ok. Wants list of suggestions as possibilities in the ordinance. Disagrees with Mayor Arndt that can't just trust folks, regulations are needed. Lists out why regulations are needed based on current events/issues.

Councilmember Gutowsky District 1: Question about software update plan/costs

City Manager: Summarize next step focus areas and costs for May 16 meeting

Mayor Arndt: Supports that calls out various questions other council members had to be incorporated

Councilmember Pignataro District 2: Data issue includes software and process improvement as well, requires different workstreams.

City Staff: Sees implementation timeline focused on registration and other priorities as a next step to update

Motion to postpone indefinitely second reading of ordinance 58-2023 adopting a rental

housing program as an implementation action of the housing strategic plan the our climate future plan passes 7-0

Motion to postpone indefinitely second reading of ordinance 59-2023 appropriating prior year reserves in the general fund for the start up phase of the rental housing program passes 7-0

Summary

- Council voted 7-0 to postpone indefinitely adopting a rental housing program.
- Council voted 7-0 to postpone indefinitely appropriating prior year reserves in the general fund for the start-up phase of the rental housing program.
- Council directed staff to come
- up with an implementation timeline and costs for a rental housing registration program, including hiring staff, software updates, program rules and regulations, and education mediation and outreach. A presentation and first reading will be given May 16th.

Follow-Up Questions

- Does staff specifically understand what council is expecting be included in the implementation timeline and costs document for the rental housing registration program to be discussed May 16?
- Will council be ready for a first reading vote on the city plan for rental registration May 16?
- How will the public have a chance to comment on the proposed recommendations from city staff before council is given a presentation and potentially votes May 16?