Cooperative Housing Ordinance

June 21, 2016

Council Goals

- Facilitate communal living
- Provide additional affordable housing alternatives
- Provide for more sustainable housing

Council Concerns

- Life Safety
- Impact on neighborhoods
- Impact on the housing market

November 10, 2015	Council passed occupancy ordinance
November 17, 2015	After receiving an anonymous complaint, council directed staff not to enforce occupancy restrictions against cooperatives. Council decided to address cooperatives through the legislative process
January 26, 2016	Council study session
March 24, 2016	Staff published first draft ordinance
April 5, 2016	Staff met with advocates and drafted a revised ordinance
April 21, 2016	Planning Board considered both versions of the ordinance
May 17, 2016	Council public hearing on first reading
June 21, 2016	Continued public hearing on first reading

Major Elements

- Cooperative housing units would be an allowed use in zoning districts where previously they were a conditional use.
- Cooperatives would be regulated much like rentals, including licensing, initial inspections and renewal inspections.
- Cooperatives would be exempt from the Title 9 occupancy limits. They would be subject to either a new occupancy limitation or the limit in the international property maintenance code.

Issues for discussion

1. Certification
2. Property Right for Equity Cooperatives
3. Occupancy Limits
4. License Not Tied to Ownership
5. Parking Regulation
6. Neighborhood Notification
7. Rent Regulation
8. Separation
9. Safety Enforcement
10. Legal Entity
11. Invisible Populations
12. Property Tax Exemption for Non-Profits
13. Process
14. Other?

Certification

- Sub-Issues:
  - Should the ordinance include certification criteria?
  - Are the ones in the proposed amendment correct?
  - Should the certification be by the city manager or a third-party?

Property Right for Equity Cooperatives

- Is the proposed amendment the right direction?
- Does council wish to return to use review?
- What is the nature of the property right?
  - Property right in ownership of the property?
  - Property right in the over-occupancy?
    - This would be unprecedented.

Occupancy Limits

Proposed amendment:

(1) in the Rural Residential and Residential Low Density zone districts to no more than one occupant per 400 square feet of space, exclusive of any uninhabitable space;

(2) in the Residential Medium Density zone districts to no more than one occupant per 300 square feet of space, exclusive of any uninhabitable space; or

(3) in all other zone districts to no more than one occupant per 200 square feet of space, exclusive of any uninhabitable space.

Occupancy – An Example

A 1,564 square foot house listed for sale in south Boulder:

Room	Measurement	Square feet
Master	12 x 13	156
Bedroom 2	8 x 12	96
Bedroom 3	10 x 10	100
Kitchen	10 x 11	110
Living Room	11 x 15	165
Office Study	9 x 10	90
Dining Room	9 x 10	90
Family Room	11 x 14	154

- Under the IMPC : 11
- Under the revised proposal: 7
- Under the community proposal: 11
- RR & RR = 3
- RM = 5
- All others = 7

Existing Definition of Uninhabitable Space

Uninhabitable space means a room or portion thereof that is six feet or less in floor to ceiling height, or a room solely used to house mechanical or electrical equipment that serves the building, including, without limitation, heating, cooling, electrical, ventilation and filtration systems, or any parking facility located completely below grade on all sides of the structure regardless of the topography of the site (see definition of "floor area") § 9-16-1 B.R.C. 1981 (“Definitions”)

License not tied to ownership

Proposed Amendment:

Only a Legitimate Cooperative Organization may be an applicant for a cooperative housing license. A licensed Legitimate Cooperative Organization may operate a cooperative only with the written consent of the property owner and only in a premises licensed pursuant to Chapter 10-3, "Rental Licenses," B.R.C. 1981.

Parking

- Proposed Ordinance

Submit a parking plan to limit cooperative to no more than four vehicles.

- Proposed Amendment

(a) A minimum of one off-street parking space per two occupants shall be provided for each cooperative housing unit. The approving authority may grant a parking reduction or parking deferral of up to fifty percent of the required parking if the applicant can demonstrate that the criteria set forth in sections 9-9-6(e) and (f), B.R.C. 1981, have been met. A cooperative housing unit shall have a minimum of two off-street parking spaces; or

(b) In lieu of off-street parking in excess of that required in the zone district, all occupants over sixteen years of age shall obtain and continue to maintain a local access bus pass with the Regional Transportation District.

Neighborhood Notification

- Current Code Provision:

After receiving an application, the city manager will cause the property to be posted and notify, by first-class mail, all property owners within three hundred feet of the boundaries of the applicant's property indicating that a cooperative housing unit application has been filed and that more detailed information may be obtained from the planning department. Failure to provide such notice, however, does not affect the validity of any approval subsequently granted.

Neighborhood Notification

- Proposed Ordinance:

  No requirement

- Proposed Amendment:

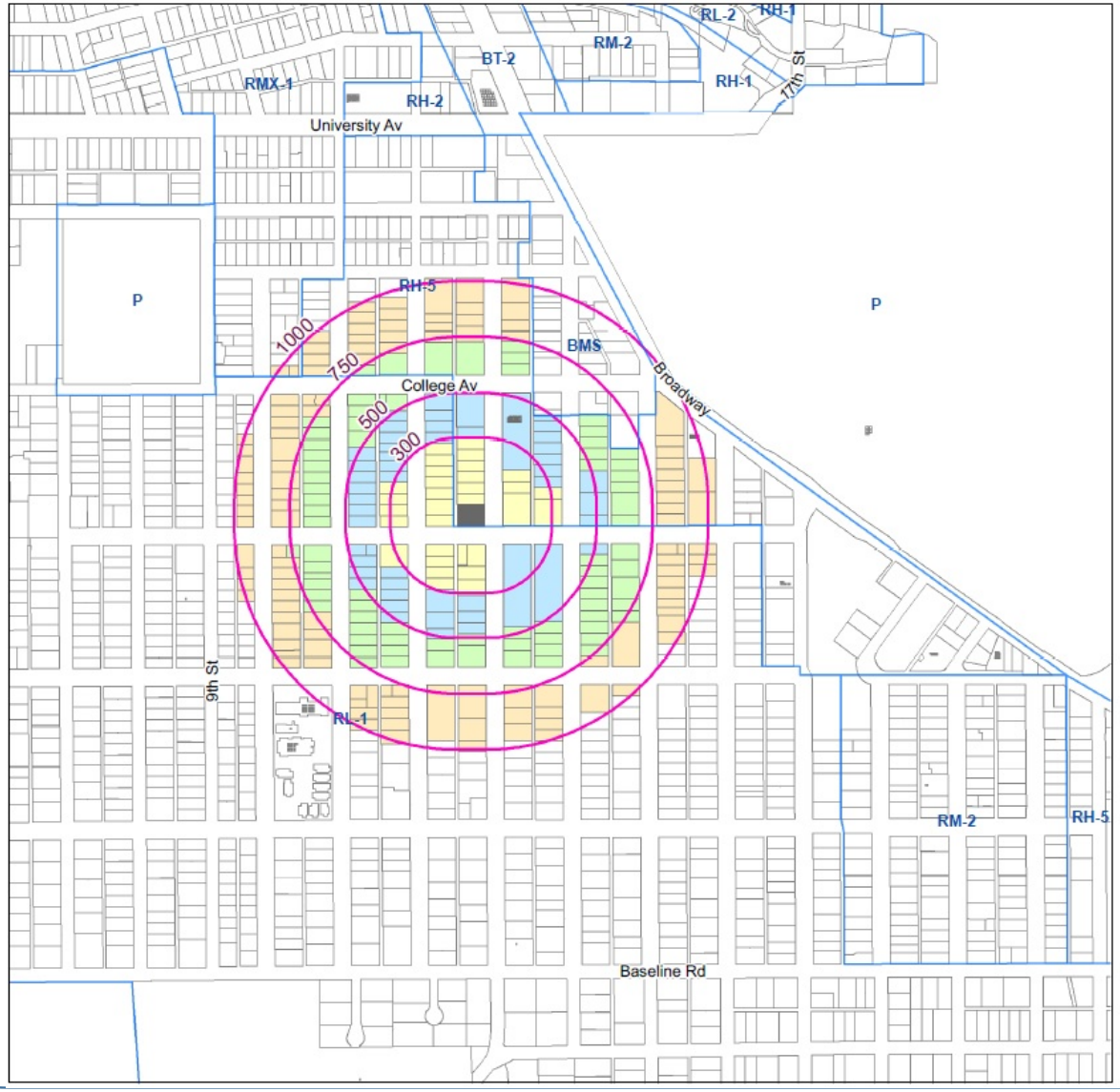
  A certification that the applicant has provided to a resident of each dwelling on the street face contact information for the applicant and the organization responsible for certifying the applicant.

Rent Regulation

Current Proposal - Separation

Neighborhood Area	Restrictions

• RL-1, RL-2, and P
  • 300 feet from lot line
• RR-1, RR-2, RE and A
  • 600 feet from lot line
	No more than 10% of the dwelling units in the neighborhood area can be cooperative housing units



University Hill Example (RH-5 and RL-1 Zoning)

300' neighborhood area results in 32 properties allowing 3 Coops.

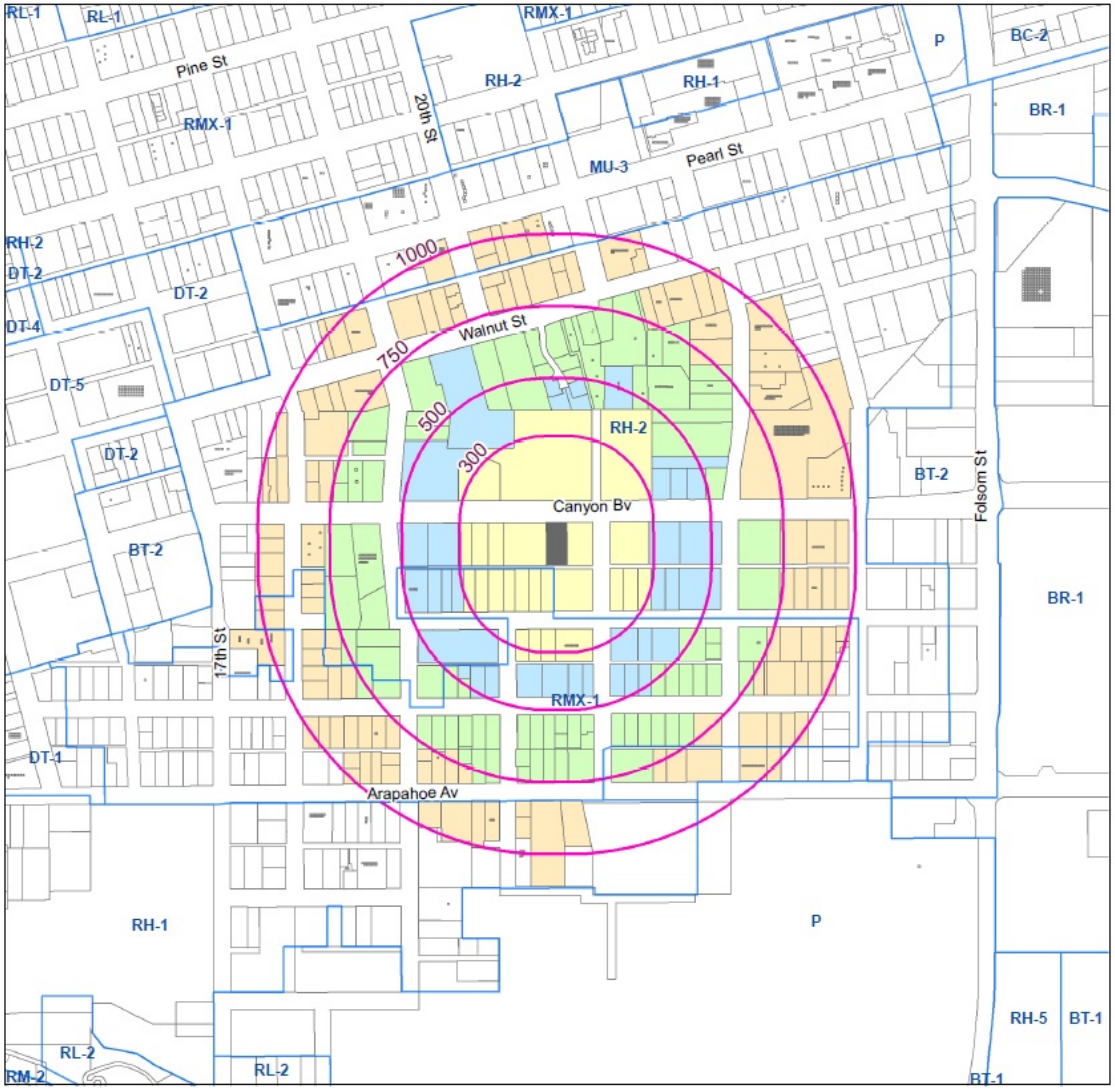
500' neighborhood area results in 131 properties allowing 13 Coops.

750' neighborhood area results in 208 properties allwing 20 Coops.

1000' neighborhood area results in 344 properties allowing 34 Coops.

Legend

- Buffers
- Theoretical Applicant Property
- Parcels Inside 1000' Neighborhood Area
- Parcels Inside 750' Neighborhood Area
- Parcels Inside 500' Neighborhood Area
- Parcels Inside 300' Neighborhood Area
- Zoning Districts



Goss Grove Example
(RH-2 and RMX-1 Zoning)

300' neighborhood area results in 33 properties allowing 3 Coops.

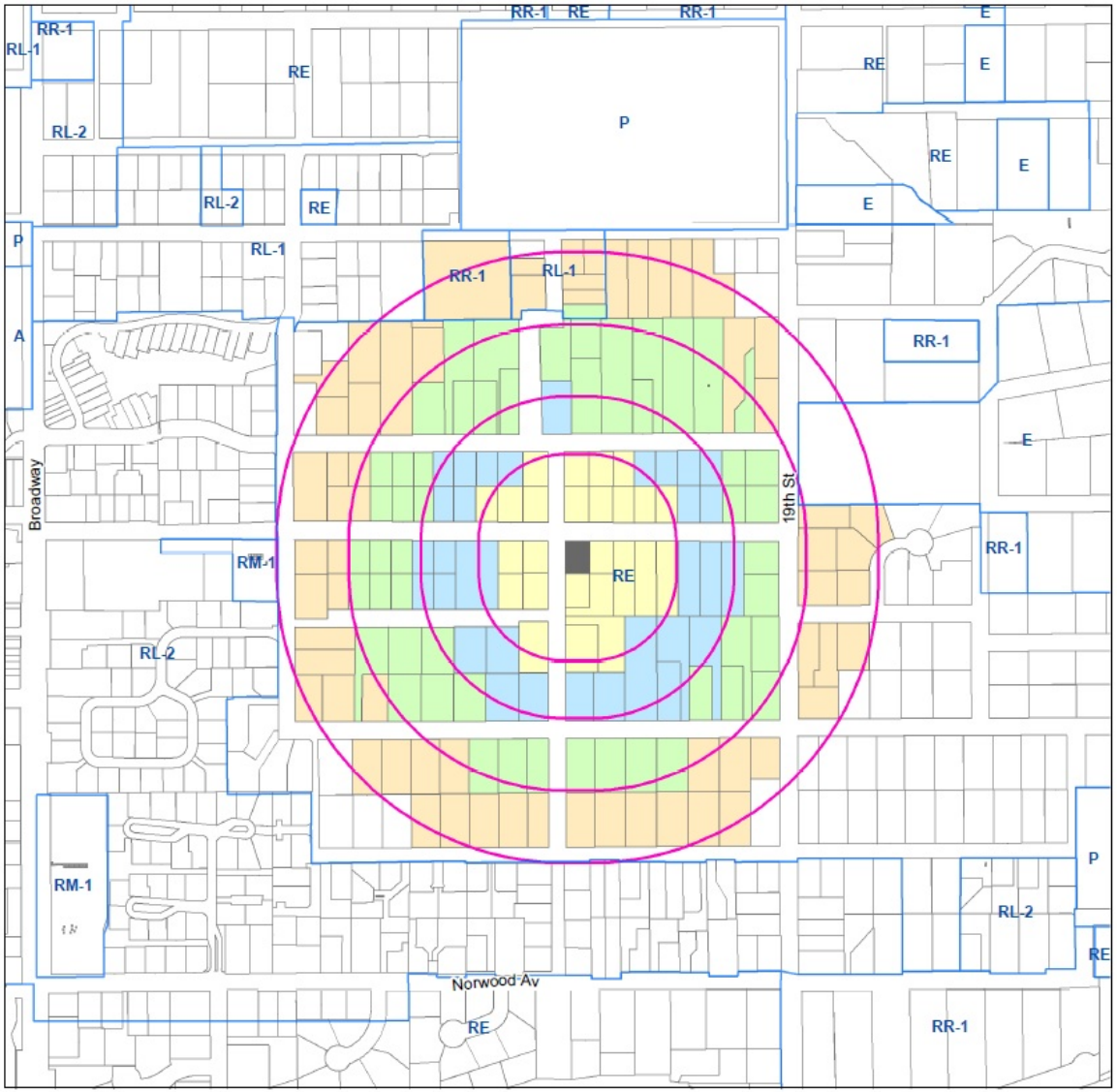
500' neighborhood area results in 76 properties allowing 7 Coops.

750' neighborhood area results in 221 properties allwing 22 Coops.

1000' neighborhood area results in 591 properties allowing 59 Coops.

Legend

- Buffers
- Theoretical Applicant Property
- Parcels Inside 1000' Neighborhood Area
- Parcels Inside 750' Neighborhood Area
- Parcels Inside 500' Neighborhood Area
- Parcels Inside 300' Neighborhood Area
- Zoning Districts



17th and Quince Example (RE Zoning)

300' neighborhood area results in 26 properties allowing 2 Coops.

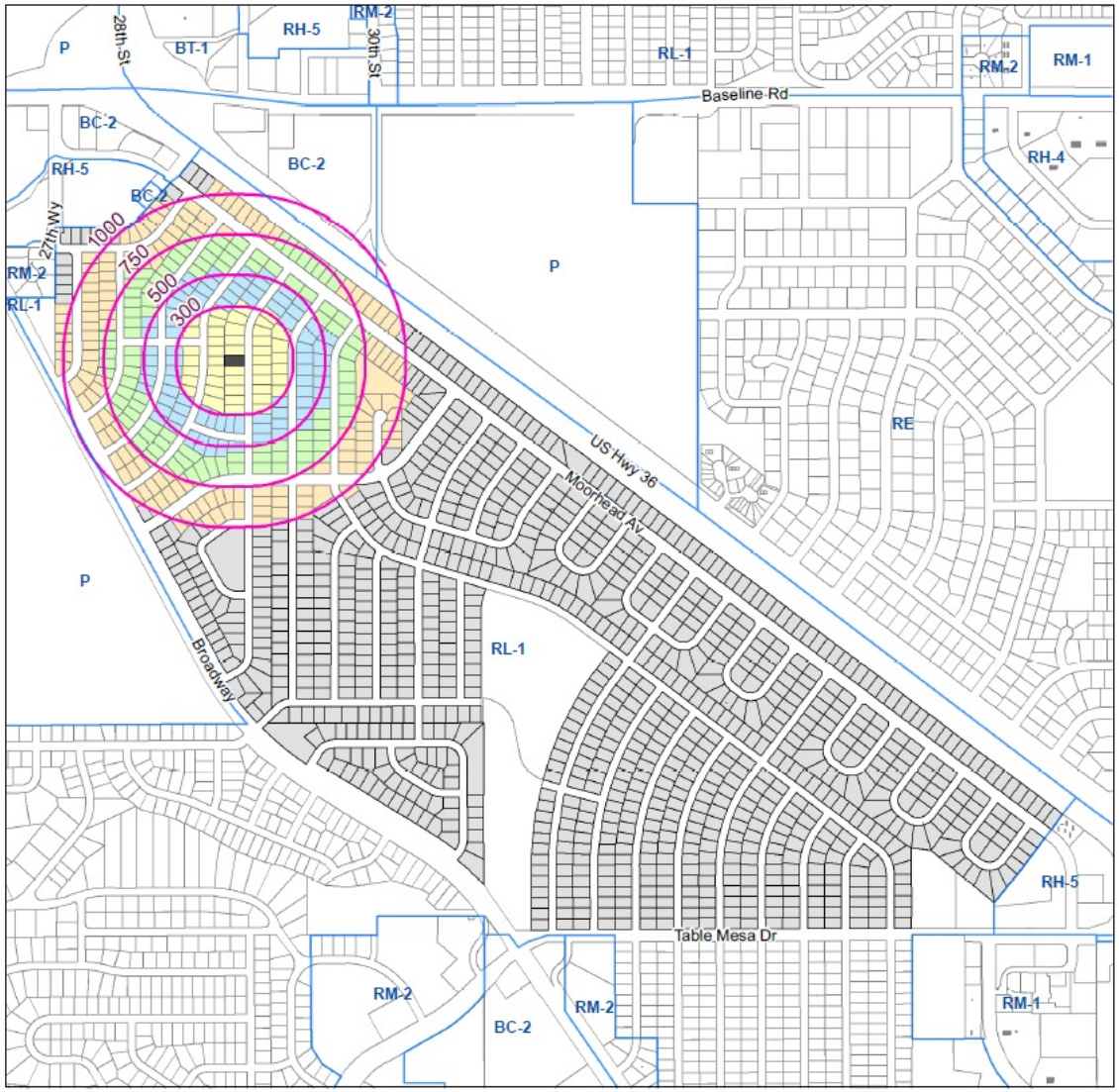
500' neighborhood area results in 57 properties allowing 5 Coops.

750' neighborhood area results in 109 properties allwing 10 Coops.

1000' neighborhood area results in 172 properties allowing 17 Coops.

Legend

- Buffers
- Theoretical Applicant Property
- Parcels Inside 1000' Neighborhood Area
- Parcels Inside 750' Neighborhood Area
- Parcels Inside 500' Neighborhood Area
- Parcels Inside 300' Neighborhood Area
- Zoning Districts



Martin Acres
Example (RL-1 Zoning)

300' neighborhood area results in 45 properties allowing 4 Coops.

500' neighborhood area results in 125 properties allowing 12 Coops.

750' neighborhood area results in 223 properties allwing 22 Coops.

1000' neighborhood area results in 363 properties allowing 36 Coops.

Legend

- Buffers
- Theoretical Applicant Property
- Parcels Inside 1000' Neighborhood Area
- Parcels Inside 750' Neighborhood Area
- Parcels Inside 500' Neighborhood Area
- Parcels Inside 300' Neighborhood Area
- Martin Acres
- Zoning Districts

Other Issues

- Safety Enforcement
- Legal Entity
- Invisible Populations
- Property Tax Exemption for Non-Profits

Process – Staff options

- Cooperative Housing Webpage
- Neighborhood Roundtables
- Facilitated Citizens Panel

Cooperative Housing Webpage

A cooperative housing ordinance web page has not yet been created. On the Housing Boulder website (www.housingboulder.net), a web page could include an FAQ with additional analysis, key dates, links to related pages and sites and other details. Community members could provide input on the ordinance through this portal directly to City Council and the City Attorney's Office.

Pros

- Minimal impact to work plan
- Community members would be better informed
- Additional opportunity to provide feedback

Cons

- Community members may feel that this option for input isn't substantially different from current option

Neighborhood Roundtables

A short series of facilitated roundtables could be hosted in different neighborhood venues. Primary objectives would be to collect input from the community, share the intent around elements of the ordinance, and dispel misconceptions. A few council members could attend to listen. The City Attorney's Office and other city staff would provide staff support. Community member ideas and concerns would be captured and shared with the full council and broader community. This roundtable series would occur between first and second reading or after second reading, based on council direction.

Pros

- Additional opportunities to inform the community
- Additional opportunities to collect community input
- Easier access for concerned community members

Cons

- Intensive use of CAO staff and City Council time
- Would impact work plan

Facilitated Citizen Panel

City Council could identify a narrowed list of issues and convene a group with the help of an outside facilitator to discuss potential changes to the ordinance. The panel would include five cooperative housing representatives and five neighborhood representatives concerned about impacts. The panel would meet several times to discuss the specific issues identified by council. A summary of the group process and any recommendations would be provided to the full council. The City Attorney's Office and other city staff would provide support to convey accurate information on both the ordinance and city regulations. Council would need to decide how representatives would be selected. Staff recommends that the representatives be selected based upon written applications detailing the applicant's views on the issues.

Pros

- Clearly defined scope of issues
- Authentic opportunity for input
- Opportunity to inform

Cons

- Clearly defined scope of issues
- Authentic opportunity for input
- Opportunity to inform
- May not be representative of the community as a whole

Major Considerations

- ***Staffing*** *–Staff have no additional capacity at this time to work on this item, except for limited support to provide information on the ordinance to the public and to attend a limited number of public meetings. If council supports either option 2 or 3, staff would need to return with information on impacts to the work plan.*
- ***Inform Community****- Staff recommends if additional outreach is pursued, a primary goal would be to provide information, including additional analysis and/or resources, as well as the content of the ordinance as it evolves.*
- ***Community Input*** *– Opportunities for community input need to be meaningful and transparent. Community members should understand how their input will inform the process and on which factors council is seeking input. How broad is the conversation: is it informing tweaks to the ordinance or broader rethinking*

Use Table Changes

Zoning District	**RR-1, RR-2, RE, RL-1**	**RL-2, RM-2**	**RM-1, RM-3**	**RMX-1**	**RMX-2**	**RH-1, RH-2, RH-4, RH-5**	**RH-3, RH-7**	**MU-3**	**MU-1**	**MU-2**	**IG**	**IM**	
Use Modules	R1	R2	R3	R4	R5	R6	R7	M1	M2	M3	I2	I3	Specific Use Standard
Cooperative housing units	~~C~~A	~~C~~A	~~C~~A	~~C~~A	~~C~~A	~~C~~A	~~C~~A	~~C~~A	~~C~~A	~~C~~A	U	U	~~9-6-3~~~~(b)~~

Definitions – Proposed Ordinance

- ***Cooperative*** means a housing arrangement in which residents share expenses, ownership or labor.
- ***Limited equity cooperative*** means a cooperative operating on a property owned in part by its occupants. A not-for-profit corporation may own an interest in the property.
- ***Not-for-Profit Rental Cooperative*** means a rental cooperative owned by a corporation registered with the United States government pursuant 26 U.S.C. § 501(c)(3).
- ***Private equity cooperative*** **means** a cooperative operating on a property owned jointly by the residents of the cooperative.
- ***Rental cooperative*** means a cooperative in which the some or all of the residents do not have an ownership interest in the property in which the cooperative operates.

Boulder Community Housing Association Definitions

- ***Housing cooperative*** means a group of people operating as a single housekeeping unit, that shares an entire dwelling, pools resources for a majority of the household's expenses, and governs itself democratically, with each adult member of the household having equal say over household decisions.
- ***Privately owned housing*** cooperative means a housing cooperative in which a majority of the adult residents own an interest in the property, a majority of the individuals who own an interest in the property are also residents of the property, and the owner-residents hold a controlling ownership interest in the property. A 501(c)3 non-profit with a housing focused mission may own a minority interest in the property.
- ***Non-profit owned housing*** cooperative means a housing cooperative in which a majority ownership interest is held by either a 501(c)3 non-profit organization with an affordable housing mission, or a public housing authority.
- ***Rental housing cooperative*** means any housing cooperative which does not satisfy the requirements for either a privately owned or non-profit housing cooperative.