Cooperative Housing Ordinance

May 17, 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
June 21, 2016	Continued public hearing or second reading

Planning Board Input on Process

- Do rental cooperatives need further study and special attention? (7-0, in favor)
- Should the entire process slow down? (2-5, L. Payton, J. Gerstle in favor of the entire process slowing down)
- Should only the rental process slow down? (4-3, L. May, J. Putnam, L. Payton, and C. Gray in favor of the rental process slowing down)
- Evaluate what characteristics certification might require/specified pre-established criteria? (7-0, in favor)

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.

Major Elements

- Rental cooperatives would be subject to a limitation on rent.
- The cooperatives would be required to maintain compatibility with the surrounding neighborhood. This restriction would be enforced through an administrative penalty process in the municipal court.
- Cooperatives would be required to develop a parking reduction plan to limit to no more than three, the number of cars parked in the right of way. Cooperatives would be encouraged, but not required to have a bus pass.

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)~~

Follows the Rental Licensing Program

- License application would require:
  - Proof of baseline inspection
  - Condition and location of all smoke and carbon monoxide detectors
  - Trash removal plan
  - Parking management plan
- License would be for four years
- Renewal would require:
  - Proof of renewal inspection
  - Condition and location of all smoke and carbon monoxide detectors
  - Trash removal plan
  - Parking management plan

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.

Occupancy

- The staff proposal was to rely upon the IMPC
  - Every living room shall contain at least 120 square feet (11.2 m^2) and every bedroom shall contain a minimum of 70 square feet (6.5 m^2) and every bedroom occupied by more than one person shall contain a minimum of 50 square feet (4.6 m^2) of floor area for each occupant thereof.
- The revised ordinance proposed 200 square feet per person
- Members of the community have recommended 140 square feet per person

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

Rent Control

- The proposed ordinance limits rents to the amount affordable to families earning median income for Boulder.
- The revised ordinance limits rent to 110% of the average rent for a similar property in Boulder.

Compatible with Neighborhoods

- Each cooperative shall at all times maintain compatibility with the neighborhood in which the cooperative is located. The licensee shall take all reasonable steps to reduce excessive parking on the public right of way and noise, trash and weeds on the property.
- Revised version
  - Requires multiple complaints
  - Notice and opportunity to address complaint

Compatibility with the Neighborhood

- The city manager is given authority to seek license revocation if the cooperative is no longer compatible with the neighborhood.
- The city manager would then be able to seek revocation of the license in a proceeding before the municipal court.
- The licensee could delay the proceeding by mediating with the neighborhood.
- The proceeding could be dismissed if the mediation is successful.
- The revised ordinance includes some additional procedural protections suggested by the community.
- Staff does not support a change to set specific criteria.
- Planning Board supported creating a property right for equity cooperatives.

Parking

- One of the most important neighborhood issues.
- The proposed ordinance requires a parking plan and encourages bus passes.
  - Council did not want to require bus passes because of the cost.
  - Staff did not want to limit the number of cars, because that is very difficult to enforce.
  - The community did not want a requirement for off-street parking.
- The revised ordinance includes, at the request of the community, a limit of four cars per cooperative.
- Planning Board supported the four car limit

Concentration

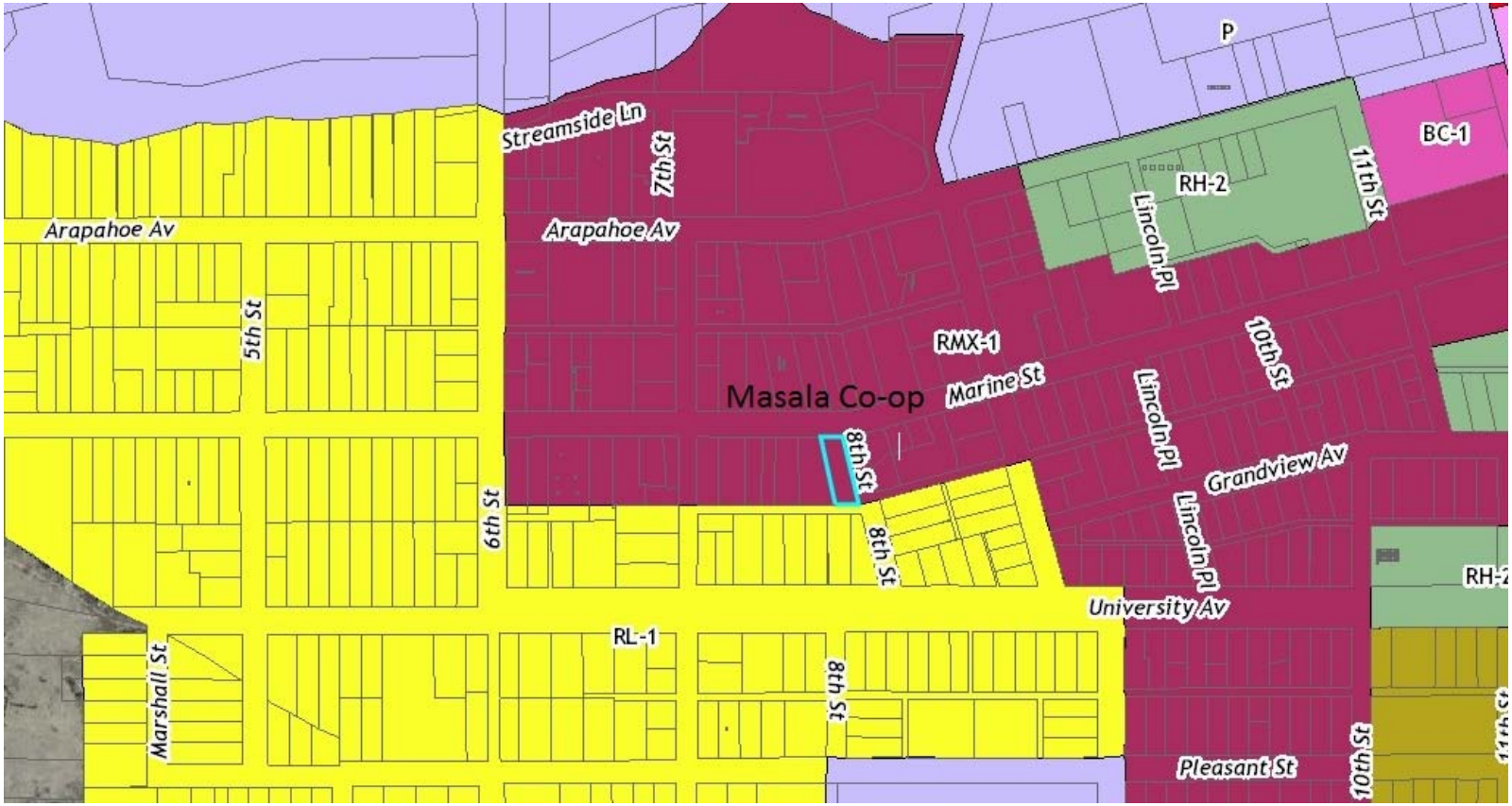
Neighborhood Area	Restrictions

• 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.

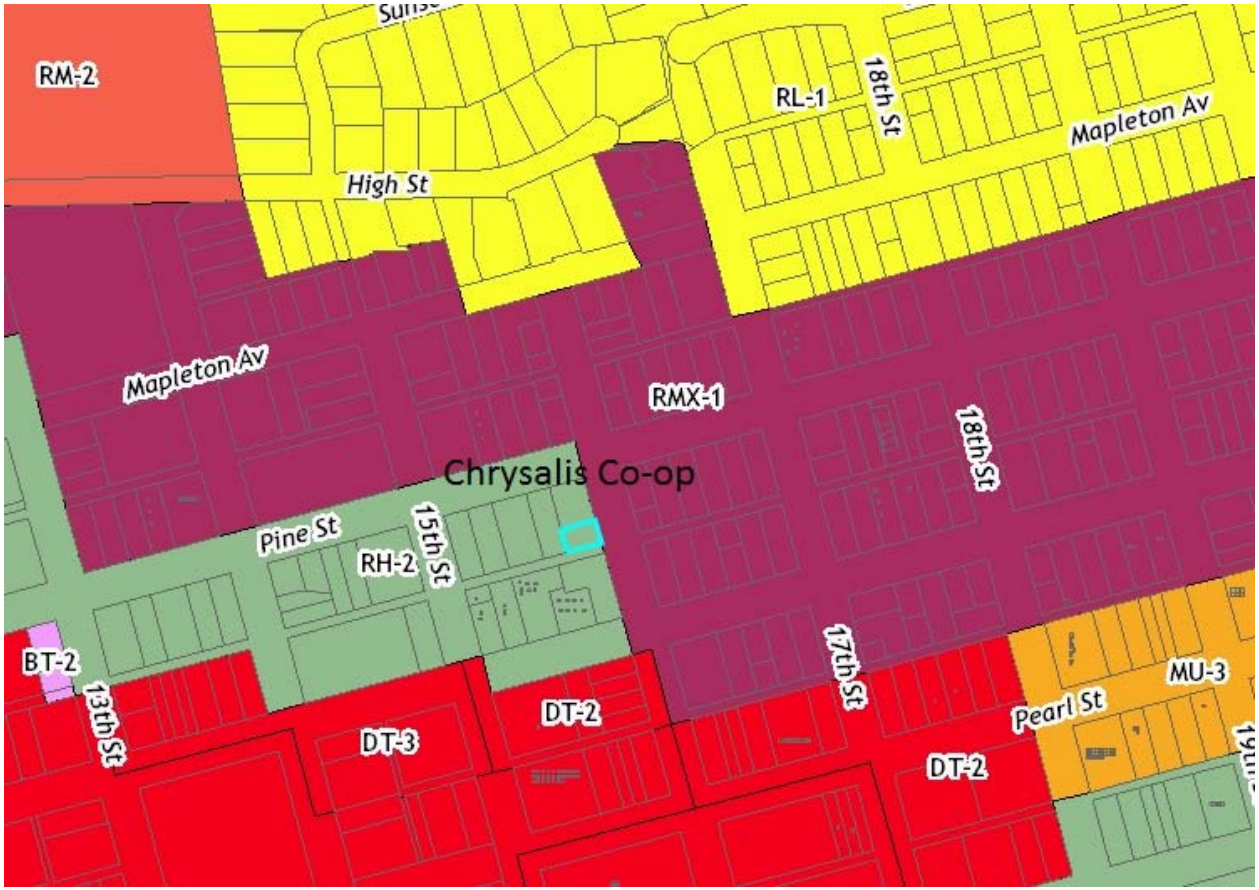
Proposed Amendment

- License any cooperative operating as such on May 1, 2016.
- Limit of one new license per year commencing January 1, 2017 in the following neighborhoods:
  - Goss Grove
  - Martin Acres
  - University Hill
  - East Aurora
- No new licenses for a period of years equal to the number of licenses issued for that neighborhood for cooperatives operating as such on May 1, 2016.

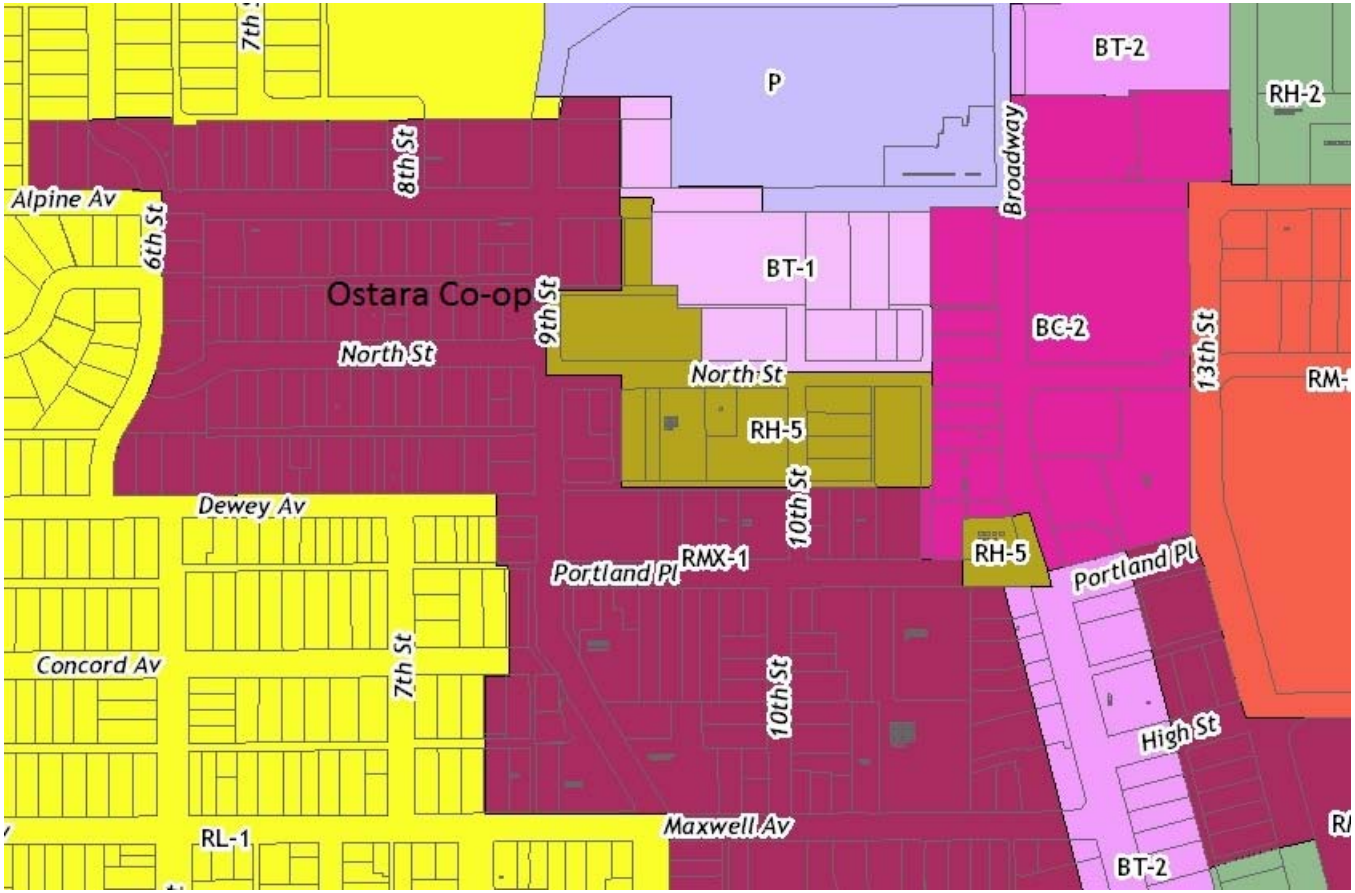
Masala Co-op - 744 Marine



Chrysalis Co-op – 2127 16th Street



Ostara Co-op – North and 9th Streets



Suggested Topics for Council Discussion

- Process
- Definitions
- Zone Districts
- Privilege or Right
  - Renewal
  - Revocation
- Occupancy
- Rent Control
- Parking
- Concentration
- Renters in equity co-ops
- Not-for-profit requirements