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Memorandum

Date: June 14, 2012
To: Mayor and City Councilmembers
Thru: Darin Atteberry, City Manager *DA*
Diane Jones, Deputy City Manager – Planning, Policy and Transportation Services *DJ*
From: Beth Sowder, Neighborhood Services Manager *BS*
Laurie Kadrich, Community Development & Neighborhood Services Interim Director *LK by BS*
Karen Cumbo, Planning, Development and Transportation Director *KC*
Re: Update - Student Housing Action Plan

The Student Housing Action Plan (SHAP) project was presented to City Council by Beth Sowder, Neighborhood Services Manager at the February 14, 2012 Work Session. This memo is intended to provide an update on the project since the work session. It is important to note that some of the information may be amended depending on the outcome of current work on neighbor/moratorium issues.

The mission of the SHAP project is to develop community driven strategies that encourage and provide an adequate supply of quality student housing while maintaining neighborhood quality and compatibility. The purpose of SHAP is to work with stakeholders to identify strategies to address the increasing need for student housing, identify possible key factors for development, and develop action items and strategies to resolve compatibility issues.

Large Group Deliberative Dialogue

A Large Group Deliberative Dialogue was held with various stakeholders on April 2, 2012. The Center for Public Deliberation facilitated the event. Stakeholders included students (both from Colorado State University and Front Range Community College), neighbors, property owners, developers, and others. The top issues identified by this group include:

- Transit/transportation efforts
- More CSU involvement in developing solutions
- Comprehensive plan strategy
- Land Use Code (LUC) changes – clarify language and expectations
- Community & student collaboration
- Improve design standards and processes
- Proximity to campus or transportation
- Increase enforcement/accountability of landlords
- Improve education
- Low cost housing incentives

Staff has taken this information and categorized the top items, so we can begin working in smaller groups to identify and further flesh out key actions. These smaller work groups will

include various stakeholders who have expressed an interest in continuing to help identify action items. Category A below will be the first of the work group sessions since it is the most pressing and complex. The top items were themed into the following 5 categories:

A. Comprehensive Plan/Land Use Plan

- West Central Neighborhoods Plan - review and update if needed
- Eastside/Westside Neighborhood Plans – review and update if needed
- Compatibility Study – design standards and expectations – intensity measures – scale and intensity of buildings/design
- Land Use Code changes – clarify language and expectations
- Plan Fort Collins
- Market Analysis – decide if one is needed or if private market determines this
- Site Identification

B. Messaging/Education

- Community & student collaboration - continue
- Housing Incentives – better education about what the City already does
- Nuisance Code information – accountability
- Land Use Code messaging

C. Transportation

- Bike Parking – study and determine if changes are needed
- Parking survey to analyze whether multi-family projects are providing sufficient parking
- Residential parking permit program – possible solution
- Planned Development Overlay District (PDOD) – good tool to help with many items identified
- Connectivity – expansion/accessible/available transit

D. Strengthen Accountability

- CSU involvement
- Possibly more standards - nuisance and rental housing codes
- Require on-site management for multi-family student housing
- On-going SHAP group

E. Partnerships

- City of Fort Collins
- Colorado State University
- Front Range Community College
- Students
- Developers
- Neighbors

Staff is aware and acknowledges that some of the items mentioned already exist or are already being considered (i.e. bike parking, parking permit system, etc.) Staff will conduct small work group meetings with the interested stakeholders on each of the categories above (A-E) in order to

further discuss each category and clearly identify the action(s) for each. These meetings will begin in June and continue through July (and August if needed). Staff believes that the meetings will need to include an educational element so that staff can discuss what is already in existence and what is in the works. As stated throughout the SHAP process, staff is also committed to bringing the thoughts and ideas of the community through this process to Council for consideration in the final Student Housing Action Plan. In order to do that, staff will continue to facilitate these stakeholder work group discussions focusing on citizen-driven ideas and solutions.

Citizen-Provided Information and Proposal

Staff received and reviewed the information provided by a group of citizens regarding student housing and the proposal of a student housing moratorium entitled "*Need for Multifamily Housing Code and Policy Review / Moratorium*". Staff acknowledges that a lot of good work and information is provided in the packet. This information is important to the SHAP process, and staff has followed up on some of the suggestions and information provided. While one of the goals of SHAP is to ensure that there is enough student housing options to address CSU's projected increase enrollment, some of the emerging controversies will certainly impact the outcome of the SHAP study. The primary concerns are similar to the ones brought up in the Large Group Deliberative Dialogue; they are parking, traffic, noise, compatibility of scale and use.

The concerns expressed are consistent with some of the other feedback received through the SHAP Focus Groups and the Large Deliberative Dialogue. The concerns regarding an appropriate intensity measure (which includes the cumulative effects/impacts) and compatibility/transition standards are identified in Category A above. Potential over-response/over-building to the market pressure has been discussed and should continue to be considered; however, the City is limited to looking at health and safety cumulative effects (e.g. traffic congestions, etc.) in terms of limiting free market. Maintaining and protecting the quality of life and stability of the central neighborhoods is part of the mission of the SHAP. It is extremely important to maintain quality neighborhoods and minimize negative impacts on existing neighborhoods.

The data provided regarding CSU enrollment and the amount of housing needed is also very important. With very low vacancy rates, the market has responded as evidenced by the relatively larger number of student housing development proposals. By taking a look at the data, it is clear that much of the demand for student housing in the next several years will be adequately covered by projects that are currently under construction or in the development process (both on and off-campus). Additionally, the student housing survey, which was just updated, shows that the majority of students prefer to live in a house in a neighborhood as their first choice, off-campus condo/duplex/townhouse as their second choice, and off-campus apartment complex as their third choice.

The idea of limiting new apartments to a maximum of three bedrooms and limiting the proportion of three-bedroom units in each development will be included in the discussions in Category A above (as part of potential Land Use Code changes). Currently, the LUC bases density limits on the number of dwelling units per acre, rather than the number of bedrooms. The Code does not limit the number of bedrooms in multi-family developments, but multi-family project applicants must submit a request for units that will be occupied by more than three

unrelated persons. The request would not be approved unless the project has additional open space, recreational areas, parking areas, and public facilities to adequately serve the additional occupants and protect the adjacent neighborhood (LUC 3.8.16(E)(2)).

Parking has been a topic of conversation and feedback received through the SHAP process. As noted above, conversations will continue and action items formed regarding parking issues as noted in Category C above.

The SHAP process will include discussions of the proposed primary measures identified in the citizen proposal to consider in Fort Collins; however, at this time staff does not have a recommendation about a moratorium. A moratorium could be done as long as the problem is well defined and vetted, but there could be significant challenges. Fort Collins does not categorize housing officially as “student housing” which presents the problem of possibly being discriminatory both in the kind of development and the geographic area. However, discussions about the other proposed primary measures will include a tool to measure intensity, compatibility and transitions standards, parking standards, and parking options.

Staff followed up with the communities highlighted in the citizen proposal as implementing moratoriums. The information staff found includes:

- Iowa City, IA
 - 60 day moratorium – to give staff time to draft new regulations for consideration at a public hearing
 - Do not allow 4 and 5 bedroom apartments in certain zones
 - Lot size requirements to limit density in certain zones
 - Require 1 parking space per bedroom in certain zones
 - Require on-site management and security plans for certain project types

- Houston/Pearland, TX
 - 120 day moratorium on all multifamily projects
 - Gave them time to figure out what the community wanted – no longer wanted traditional style apartment complexes
 - Changed zoning to not allow apartment complexes as a “use by right”
 - New mixed-use multifamily projects are desired and done as a Planned Development
 - Buffering requirements and staff looks at how well it blends in with the existing neighborhood

- Kent/Akron, OH
 - They had one Council member recommend a Council discussion on enacting a moratorium, and it was rejected with a 6-1 vote.

- Hartford/Manchester, CT
 - 6 month moratorium on multifamily housing imposed by Planning & Zoning Commission because influx of market rate/affordable multifamily developments
 - Gave them time to review underdeveloped parcel map and future development
 - Resulted in minor changes but alleviated perceptions and provided better understanding
 - Decided to regulate residential development in business zones

- Decided mixed-use development is good but should have some regulations to ensure it fits the location and surrounding uses
- Require design overlay zone apply to Neighborhood Business zone
- St. Paul, MN
 - Moratorium preventing conversion of existing owner-occupied single-family homes and duplexes to college student rentals within a specified geographic area for a period of one year or until a zoning study has been completed (moratorium expected to last until August 2012)
 - City Council directed the Planning Commission to conduct a formal zoning study and report options to regulate student housing in the defined area
 - Possible recommendations include:
 - Establish a Student Housing Neighborhood Impact Overlay District
 - Define a “student dwelling”
 - Require minimum distance between student dwellings of 150 feet
 - Create zones for higher density student housing near or connected to transit
 - Provide more on-campus housing or requirements
 - Deal with student behavior through lease terms, education and outreach, and enforcement
 - Housing buy-back or incentive program to convert student housing back to owner-occupied
 - Expecting Council to review proposed ordinances in June 2012
 - Both opposition and support for proposed actions

The examples provided in the proposal of regulatory actions taken in other communities to preserve single-family residential character are very similar to actions taken by the City of Fort Collins. Fort Collins has an Occupancy Ordinance that limits the number of unrelated people who live in a dwelling unit to no more than three. The Occupancy Ordinance also requires a disclosure statement to be signed by the property owner and the tenants at the time of lease signing and available on premise when requested, and we have a full time inspector whose primary duty is to investigate over-occupancy complaints.

Since January 2007, when the revised Occupancy Ordinance went into effect, 454 occupancy cases have been reported. Fines are calculated based on the number of people over-occupied and for how long – significant fines in 2011 were in the amounts of \$31,000 and \$38,000. Property owners, managers and tenants can all be held liable for over-occupancy violations.

Fort Collins does not have a Rental Licensing or Rental Registration program. City Council discussed these options in 2005 when they discussed changes to the Occupancy Ordinance. Council did not choose to adopt a Rental Licensing or Rental Registration program at that time.

Fort Collins does allow Extra Occupancy Rental Houses (similar to Boarding or Rooming Houses) in many zoning districts that are medium or high density zones. They are not allowed in most low density zone districts. Even in zones where they are allowed, they still must meet off-street parking, square footage, and Rental Housing Standards requirements in order to get approved.

Project Timeline and Outreach

March to June 2011 – Project startup and data collection
July to November 2011 – Public engagement and issues analysis
November to December 2011 – Formulate recommendations; public participation
January to February 2012 – City Council Work Session; public participation
March to August 2012 – public participation; Boards and Commissions recommendations
August to October 2012 – finalize action items; public open houses; public participation
October 23, 2012 – City Council Work Session (direction on action items and next steps)