



## Council Work Session: Housing Strategic Plan Implementation

### Occupancy Regulations

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**Introduction: Overview and Policy Alignment**

**Existing Conditions**

**Topic 1: Policy Considerations for Occupancy Definitions**

**Topic 2: Policy Considerations for Maximum Number of Occupants**

**Topic 3: Policy Considerations for Extra Occupancy Process**

**Conclusion: Next Steps**

1. What additional information do Councilmembers need to inform their policy guidance?
2. What feedback do Councilmembers have about the range of occupancy options outlined?
3. What feedback do Councilmembers have about the proposed approach to community engagement around the occupancy options?





- **Strategy 21** - Explore revisions to occupancy limits and family definitions in order to streamline processes and calibrate the policy to support stable, healthy, and affordable housing citywide.



**Big Move 7: Healthy, Affordable Housing**

- **HAH2:** Explore revisions to the City's occupancy ordinance



- **LIV 5:** Create more opportunities for housing choices
- **LIV 6:** Improve access to housing ...regardless of their race, ethnicity, income, age, ability, or background

## Why explore changes to occupancy regulations?

- *Greatest Challenge #7:* Housing policies have not consistently addressed housing stability and healthy housing, especially for people who rent.
- *Community engagement:* a desire to proactively ensure **healthy, safe units** and maintain neighborhood **quality of life**
  - Lack of choices and affordable options
  - Efficient use of existing housing stock
  - Concerns about impacts on specific populations including lower-income residents, LGBTQ+ residents
  - Concerns about impacts on neighborhoods if occupancy regulations are changed
  - Many opinions about the best approach to “right-sizing” the City’s occupancy ordinance



## Demographics

- Significant demographic shifts since 2005 in households violating occupancy:

	2005	2018
Total (est) households in violation	1,238	1,234
Percentage college students	71%	47%
Percentage children under 18	Negligible	13%

- Price escalation (78% rent increase between 2005-2018) and low rental vacancy rates (under 5%) may result in “doubling up” to afford housing for a wide range of household configurations
- About 26% of ‘nonconforming’ households are owner-occupied, and about 74% are renter-occupied

## Demographics Key Findings

- Households in violation are increasingly likely to include both individuals and families
- Most nonconforming households had a size of 4 (68%) or 5 (19%) adults
- 23% of nonconforming households include a family unit
- Over half (54%) of nonconforming households live in single unit detached homes, with the rest in various types of attached dwelling units
- Housing units with 3 or more bedrooms tend to be underutilized by conforming households, while nonconforming households average 1 person per bedroom

## Housing Stock

Structure Type	Units		Total Bedrooms		Average Bedrooms per Unit
	Number	Percent	Number	Percent	
Single-Unit Detached	36,674	57%	128,506	69%	3.5
Single-Unit Attached	5,129	8%	13,496	7%	2.6
Duplex	1,381	2%	3,091	2%	2.2
3-4 Units	3,445	5%	6,897	4%	2.0
5-9 Units	4,751	7%	9,773	5%	2.1
10-19 Units	4,558	7%	8,519	5%	1.9
20-49 Units	3,237	5%	5,436	3%	1.7
50+ Units	3,613	6%	7,236	4%	2.0
Manufactured/Mobile Home	1,424	2%	3,683	2%	2.6
Other	50	0%	81	0%	1.6
<b>Total</b>	<b>64,262</b>	<b>100%</b>	<b>186,718</b>	<b>100%</b>	<b>2.9</b>



## Housing Stock Key Findings

- Existing housing stock may be underutilized
- There are roughly 14,718-17,718 more bedrooms in the city than there are residents
- Single unit houses (attached and detached) account for 65% of units and 76% of bedrooms
- On average, single-unit houses have 3.4 bedrooms compared to multi-unit homes.
  - 55% are 1 to 3 bedrooms, 32% are 4 bedrooms, and 13% are 5 or more bedrooms.

## Peer Cities and Community Engagement

- Peer Cities research comprised 40+ peer cities across the country and 22 cities in Colorado
- Community engagement to date has included:
  - Community questionnaire
  - Rental Industry questionnaire
  - Rental Housing Task Force
  - Pop-up engagement in neighborhoods
  - Presentations to community groups and Boards and Commissions

## Community Questionnaire, Summer 2021

<i>Occupancy</i>	All Respondents		Renters		Homeowners		Non Industry homeowners	
	Yes	No	Yes	No	Yes	No	Yes	No
Agree or disagree with the following statements:								
Should Fort Collins occupancy limit stay as they are?	31%	69%	22%	78%	36%	64%	45%	55%
Allow extra occupancy rentals in more places around the city	62%	35%	72%	23%	50%	41%	43%	49%
Make the process to approve extra occupancy easier	59%	33%	74%	21%	51%	39%	43%	46%
Adjust occupancy limit to match number of bedrooms in a home	51%	50%	59%	33%	47%	44%	38%	51%
Regulate occupancy based on household function, not family relatedness	48%	41%	51%	31%	21%	47%	28%	52%
Regulate occupancy based on number of parking spaces	22%	61%	12%	69%	27%	57%	24%	63%
Focus on regulating nuisances instead of occupancy	56%	32%	61%	26%	54%	36%	44%	44%
Increase occupancy limits to more than 3 unrelated residents	56%	37%	73%	23%	47%	45%	39%	52%
Eliminate occupancy limits completely	36%	54%	52%	36%	27%	63%	24%	67%

## Peer Cities and Community Engagement Key Findings

- Peer Cities
  - Common maximum occupancy was 4-5 unrelated adults (range: 2-8 people)
  - Most required 2 parking spaces per unit (range: 0-4 spaces)
  - 8 peer cities and 17 Colorado cities use the term “family”, 4 peer cities and 5 Colorado cities use the term “household”, and one peer city uses “dwelling unit”
- Community Engagement
  - Most respondents wanted to see changes to the city’s occupancy regulations; however, most non-industry homeowners were not in support of any changes
  - Approaches supported by a majority of respondents included regulating based on number of bedrooms, focusing more on nuisance than occupancy, or increasing the total number of unrelated adults permitted
  - Rental housing task force recommended regulating based on number of bedrooms OR making changes to extra occupancy (where permitted and the process required)



# Policy Considerations

- **Currently Permitted:**
  - A family of any size plus one additional unrelated occupant OR
  - No more than three unrelated occupants
  - Extra occupancy rental house permitted in some zones through land use approval

<b>Allowable scenarios:</b>	<b>Unallowable scenarios:</b>
<ul style="list-style-type: none"> <li>- A family of any configuration, plus one unrelated roommate</li> <li>- Three siblings, plus one unrelated roommate</li> <li>- A single parent with their children, plus one unrelated roommate</li> <li>- Two couples, but only when there is a familial relationship between each couple (i.e. two siblings and their partners)</li> <li>- Three unrelated roommates</li> </ul>	<ul style="list-style-type: none"> <li>- A family of any configuration, plus two roommates or one additional family</li> <li>- Three siblings, plus two unrelated roommates</li> <li>- Two single parents and their children</li> <li>- Two couples, married or unmarried (when there is no familial relationship between each couple)</li> <li>- Four unrelated roommates</li> </ul>

- Current definition: *Family* shall mean any number of persons who are all related by blood, marriage, adoption, guardianship or other duly authorized custodial relationship, and who live together as a single housekeeping unit and share common living, sleeping, cooking and eating facilities.
- Policy Considerations:
  1. Determine whether to keep the current definition of “family” in Section 3.8.16 and 5.1.2
  2. Determine whether to regulate occupancy based on the number of adults (with their dependents); remove the definition of family/relationship from Section 3.8.16 and 5.1.2

*Note:* “Dependents” would require a clear, enforceable definition

- Policy Considerations:
  1. Consider whether to regulate maximum occupancy based on the number of adults (with their dependents) in a dwelling unit
  2. Consider whether to regulate maximum occupancy based on number of bedrooms in a dwelling unit
- Potential impacts to consider:
  - Multi-generational families
  - Households with multiple non-dependent adults



- Current process: Section 3.8.28 of the Land Use Code regulates extra occupancy requirements and review types

Zone	Maximum number of residents, excluding occupant family	Maximum % of parcels per block face	Parking	Review Type and Approving Authority
Mixed-Use Zones (LMN)	One occupant per 350 square feet of habitable floor space	No more than 25% of a block face	1 bicycle space per occupant	> 4 occupants: Type 1 (hearing officer)
Mixed-Use Zones (MMN, HMN, NCB)		No limit		.75 vehicle space per occupant, rounded up to the nearest whole parking space
Downtown, Commercial, Employment, and Industrial Zones (D, RDR, CC, CCN, CCR, CG, CN, NC, CL, E, I)	Additional minimum 400 square feet if owner-occupied			
Residential, Harmony Corridor, and Open Lands (RL, NCL, RF, UE, NCM, HC, POL, RC)	Extra occupancy not allowed			

- Policy Considerations:
  1. Determine whether to maintain the extra occupancy process as it currently exists, or to establish an administrative permit process
  2. Determine whether to allow in more places or citywide
  3. Consider whether regulations should be streamlined or simplified
  4. Consider whether to regulate number of extra occupants based on number of bedrooms instead of square footage
  5. Determine whether a rental inspection should be required

Engagement approach will be finalized pending Council direction

### **Key engagement questions:**

- What are your thoughts about the options being considered?
- What is the best fit for Fort Collins?
- What is missing?

### **Proposed Timeline:**

- Summer 2023 – Neighborhood, Nonprofit partners, and Rental Industry engagement
- Fall 2023 – Student/CSU and tenant community engagement
- Winter 2023 – Council action

1. What additional information do Councilmembers need to inform their policy guidance?
2. What feedback do Councilmembers have about the range of occupancy options outlined this evening?

*Topics: Ordinance Definitions | Maximum Occupants | Extra Occupancy*

3. What feedback do Councilmembers have about the proposed approach to community engagement around the occupancy options?



### Definitions

- Determine whether to keep the current definition of “family” in Section 3.8.16 and 5.1.2
- 2. Determine whether to regulate occupancy based on the number of adults (with their dependents); remove the definition of family/relationship from Section 3.8.16 and 5.1.2

### Maximum Occupants

- Consider whether to regulate maximum occupancy based on the number of adults (with their dependents) in a dwelling unit
- 2. Consider whether to regulate maximum occupancy based on number of bedrooms in a dwelling unit

### Extra Occupancy

- Determine whether to maintain the extra occupancy process as it currently exists, or to establish an administrative permit process
- Determine whether to allow in more places or citywide
- Consider whether regulations should be streamlined or simplified
- Consider whether to regulate number of extra occupants based on number of bedrooms instead of square footage
- Determine whether a rental inspection should be required

# THANK YOU!

For Questions or Comments, Please Contact:

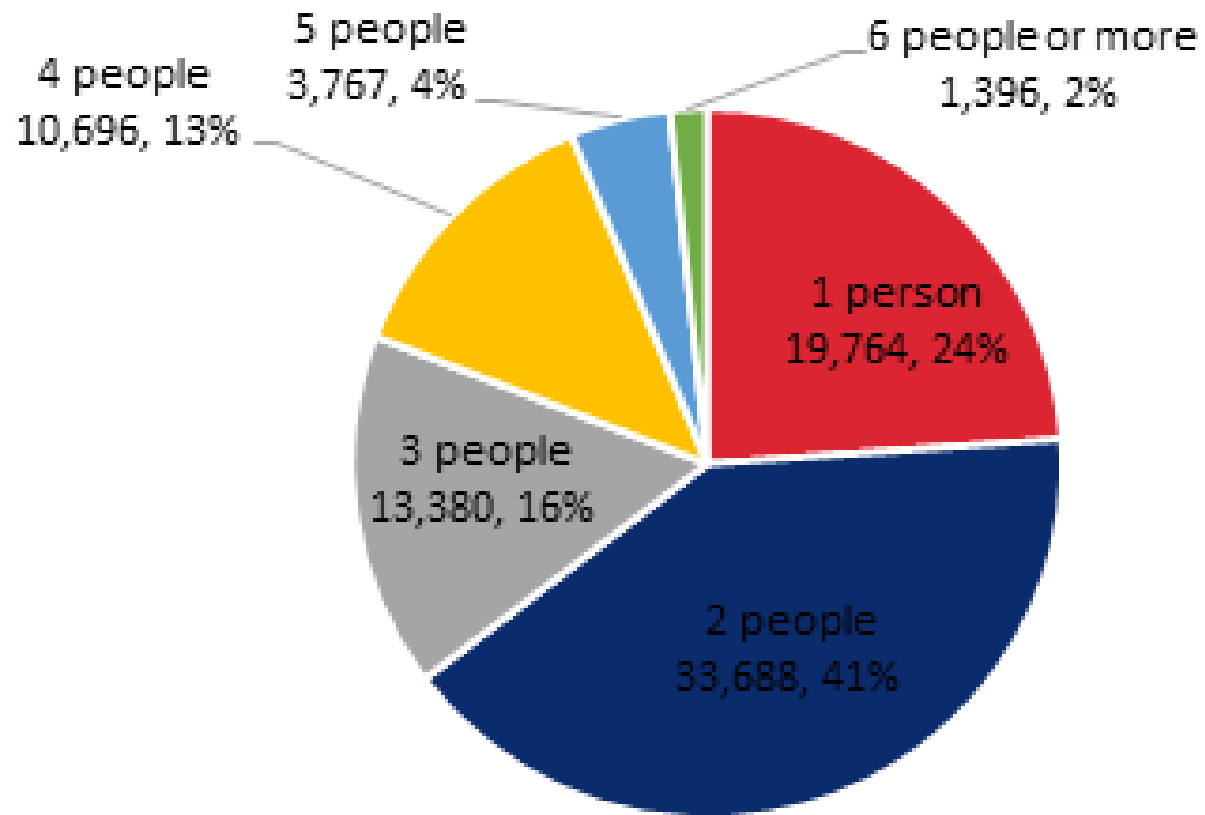


## Previous Council Direction and Research

- Key Policy Decisions
  - 1963 – Adoption of Occupancy Ordinance (U+2)
  - 2005 – Decriminalization of occupancy violations, beginning of enforcement, increase support of nuisance enforcement
- Research
  - Corona Insights Economic and Impact Studies completed in 2005, 2009, 2018
  - Peer City research
  - Root Policy Analysis on occupancy violations and housing stock # of bedrooms
- Recent Council Direction
  - December 2020: Ad Hoc Housing Committee; direction for further work on rental licensing/registration, occupancy, and landlord incentives
  - October 2021: Full Council Work Session; support for community engagement to explore potential design of rental licensing/registration, revisions to occupancy, and small landlord incentives
  - August 2022: Full Council Work Session; support to continue moving forward

## Demographics

### Estimated Household Sizes in Fort Collins





## Demographics

Household size	All Households		Nonconforming Households	
	Number	Percent	Number	Percent
<b>Total</b>	<b>82,691</b>	<b>100%</b>	<b>1,875</b>	<b>100%</b>
1- Person household	19,764	24%	-	0%
2- Person household	33,688	41%	-	0%
3- Person household	13,380	16%	-	0%
4-Person household	10,696	13%	1,284	68%
5-Person household	3,767	5%	355	19%
6-Person household	995	1%	199	11%
7-Person household	210	0%	16	1%
8-Person household	97	0%	21	1%
10-Person household	94	0%	-	0%

Note: Excludes households living in group quarters.

Source: IPUMS USA, University of Minnesota, [www.ipums.org](http://www.ipums.org) and Root Policy Research.

Almost half of all households (47%) are married-couple family households. Not surprisingly, nonconforming households are more likely to be non-family households (64%); however 438 households (23%) do include a family unit living in the household.

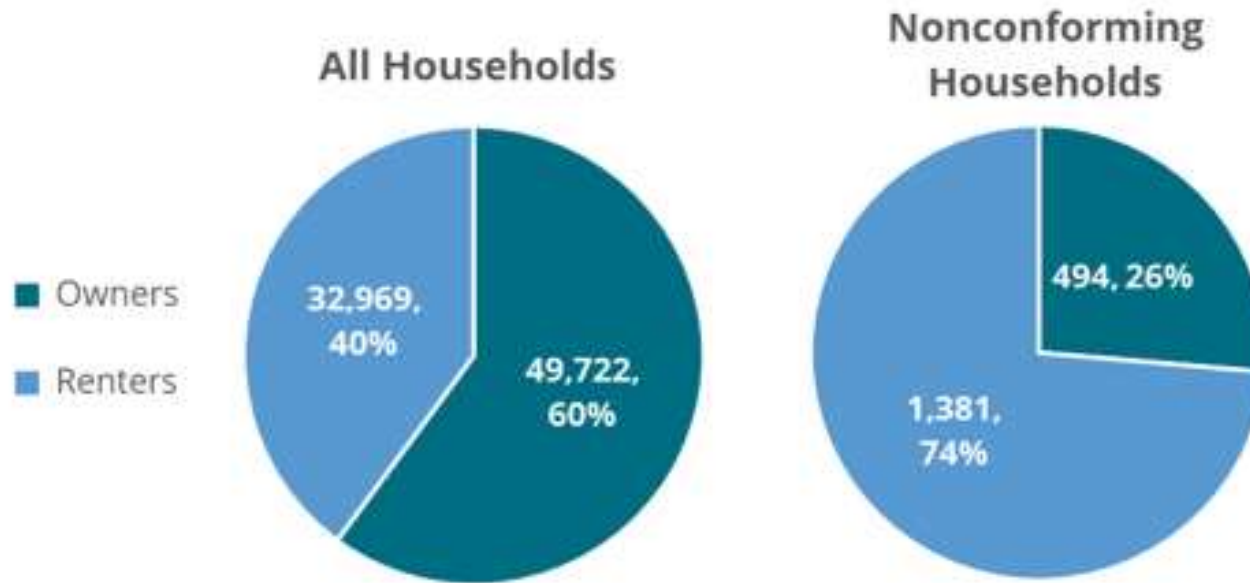
## Demographics

Figure 4 shows the number and distribution of households by tenure. Almost three fourths (74%) of nonconforming households are renters.

**Figure 4.  
Tenure**

Note:  
Excludes households living in group quarters.

Source:  
IPUMS USA, University of Minnesota, [www.ipums.org](http://www.ipums.org) and Root Policy Research.



Nonconforming households are less likely than conforming households to live in single family detached homes. Overall 62 percent of households live in single family detached homes compared to 54 percent of nonconforming households. Around 4 percent of households live in building with 50 or more units, compared to 14 percent of nonconforming households.

## Housing Stock

	Number of Units	Percent of Units	Total Number of Bedrooms
Studio/One Bedroom	7,208	11%	7,208
Two bedroom	16,778	26%	33,556
Three bedroom	21,045	33%	63,135
Four bedroom	14,176	22%	56,704
Five or more bedrooms	5,055	8%	26,115
<b>Total</b>	<b>64,262</b>	<b>100%</b>	<b>186,718</b>

Structure Type	Units		Bedrooms		Avg. Bedrooms per Unit
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Note: Units in Structure and total number of bedrooms reflect data for the City of Fort Collins; bedrooms by units in structure and average number of bedrooms per unit applied from IPUMS analysis of greater Fort Collins area.

Source: 2020 5-year ACS, IPUMS USA, University of Minnesota, [www.ipums.org](http://www.ipums.org) and Root Policy Research.

## City Compliance Data

- Complaint-based system

Year	# Cases	# Violations	# Citations
2022	73	21 (29%)	0 Voluntary compliance
2021	97	39 (40%)	5 occupancy 3 failure of disclosure
2020	126	44 (35%)	9 occupancy 3 failure of disclosure
2019	162	57 (35%)	6 occupancy 15 failure of disclosure
2018	209	80 (38%)	16 occupancy 6 failure of disclosure

Somewhere in the deck we need to discuss nuisance issues

<b>Group</b>	<b>Engagement Activities Conducted</b>
Renters, neighborhood groups, HOAs	Housing Strategic Plan engagement, 2020-2021 Community Questionnaire, Aug. 2022 Pop-up Engagement, Aug. 2022 Rental Housing Taskforce
Landlords, realtors, property managers	Presentation to Northern CO Rental Housing Association, Feb. 2022 Presentation to Board of Realtors, Feb. 2022 Rental Industry Questionnaire, Feb./March 2022 Rental Housing Taskforce
City Departments	Convening of Rental Housing and Occupancy Core Team Conversations with IT, Building Services, Communications and Public Involvement Office, City Attorney’s Office
Council	Ad Hoc Housing Committee discussion, Dec. 2020 Rental Strategies Work Session, Oct. 2021 & August 2022

## Potential Example (illustrative only)

- Any 1 to 2-bedroom unit could allow 3/4 adults and dependents and each additional bedroom could allow for 1 additional adult and dependents, not to exceed 6/7 adults and their dependents.

### □ Example:

Bedrooms	# of adults, if 3 + dependents	# of adults, if 4 + dependents
3 <sup>rd</sup> bedroom	4	5
4 <sup>th</sup> bedroom	5	6
5 <sup>th</sup> bedroom	6	7
6 <sup>th</sup> bedroom	7	