Draft Report Regarding Public Comments concerning Land Use Code Engagement

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Methodology section

The city provided me with the raw data that has been collected mostly this spring connected to the Land Use Code (LUC) process. This included a wide variety of texts, such as all the post it notes and written comments from the open house, survey results from those attending the neighborhood walking tours, data from online feedback forms, and emails sent to city staff. I've also attended all the city council work sessions focused on housing this spring to follow the conversations there, and included past CPD reports on housing as well. I inputed all the data into special software called QDA Miner in order to organize it around various themes. I was then able to print out reports for specific themes in order to get a clearer sense of the public discussion around each theme across the different events and formats. I will continue to add to the data set as we move forward, and will work to include data from other sources (such as the *Coloradoan* conversations focused on housing and the websites of groups focused on these issues). Part 1 of this report describes the most common themes that I coded, and then Part 2 offers some of my own analysis about this issue based on the research.

Part 1: Descriptive Analysis of Key Themes

In terms of frequency of comments that were coded, the twelve most frequent themes are below, beginning with the most frequent and working down. It should be noted that this analysis is focused on the comments collected, which are not necessarily representative of the community as a whole.

Accessory Dwelling Units (ADUs)

There were more comments coded as connected to ADUs than any other topic. Commentary was varied, but overall more positive than negative. Many residents felt that ADUs could provide additional housing options with the "least noticeable impact" on the neighborhood, particularly attached ADUs (that are part of an existing structure). There were seen as a "win-win.' Some were enthusiastic about adding ADUs, and others explained their support more in terms of "I don't have a problem with ADUs" (often after comments more negative about other options to increase density). Those in support at times wanted less restrictions and requirements to make it easier for people to develop ADU, while others wanted to allow them but have them tightly controlled. In particular, several argued that rules should be in place to not allow ADUs to function as short-term rentals or that ADUs should only be allowed in owner-occupied spaces. A smaller group of commenters were opposed to ADUs overall, particularly in neighborhoods where they are currently prohibited by HOA covenant.

Transit and transit oriented development

Comments regarding transit were remarkably consistent and in support of additional transit oriented development (numerous comments that density efforts should be focused and incentivized along existing and developing transit corridors). Many residents called for improvements in the Fort Collins public transportation system as density increases. At least in terms of the comments in this dataset, support for better public transit and transit oriented development were particular points of common ground.

Parking

Concerns about parking were frequent. Most common were calls for increased density (ADUs or multi-plexes) to be required to have their own off-street parking. Overall, residents wanted to be sure that parking was "adequately planned for" as density increased. A smaller subset of comments pushed back on the focus on parking, wanting fewer barriers to more housing and more focus on transit options.

Protecting the character of neighborhoods

Numerous comments were coded tied to the idea of protecting the character of neighborhoods. Residents were "highly concerned" about or "strongly opposed to" or "deeply dissatisfied about" changes that would impact "established neighborhoods." A variety of factors were mentioned – parking, traffic, fit, height, roof style, etc. – though often no specifics were mentioned, only the broad concept of negative impacts on "character" or "quality of life." Several comments noted the current high quality of Fort Collins neighborhoods, and the fear of losing something special. Others mentioned the natural variety of neighborhood styles that people can choose from, and argued that major changes city-wide would undermine that variety. The point that single family neighborhoods should remain a choice people can make was made a few times. Alternatively, a few comments expressed support for changes – ADUs and/or multiplexes—as long as they were a fit with the existing neighborhood in terms of style and size, and finally a few recognized that neighborhoods have changed and will continue to change.

Homeowner Associations (HOAs)

Comments regarding HOA's were overwhelmingly positive (around a 90/10 split). The primary argument was a simple call to not "override," "neuter," or "supersede" the rules of HOAs that residents agreed to. Several commented that those covenants represented a legal binding agreement, and strongly opposed those agreements being eliminated. They commented that the current zoning rules and/or specific HOA covenants were key aspects of their decision to invest in their particular home. They explicitly chose to live in a low density, single family neighborhood, and see those covenants as a "guarantee" or "commitment" that would be "unfair" or a "breach of trust" to undo. Some argued that since HOA covenants are "state sanctioned," they believed the city would not be able to override them, and warned of potential lawsuits if the city attempted to. Overall, based on several comments, the public needs more clarity and transparency regarding the relationships between HOA covenants and potential LUC

changes. The limited negative comments about HOAs mentioned concerns about fees and abuse of power.

U+2

Numerous comments focused on U+2, even though the ordinance is not technically part of the Land Use Code. Comments are mostly supportive of removing U+2, with some strong arguments to keep it. Calls to repeal were often simple ("get rid of U+2"), with others seeing it as an easy way to add density and potentially impact affordability without clear consequences. A few comments explicitly argued removing U+2 should be the initial step made on the overall affordability issue before more drastic changed are made to zoning laws.

Compliments about the walking tours and open house

Several comments were highly complimentary of the city staff, especially for the open house and the neighborhood tours. They found the information useful and the staff helpful. A few comments, on the other hand, pushed back on the engagement process as either not sufficient or being too inherently supportive or biased in favor of the changes.

Supply and demand issues

A significant number of comments were coded that explicitly discussed the complex cause effect relationship between density and affordability, which many residents see as a critical to the issue of land use planning. For some, a very basic tenant of addressing affordability is more supply of housing. The basic point that housing has not kept up with population increases is seen as an obvious issue. They argue that there simply needs to be more homes, particularly multi-family options and the "missing middle" to close the gap. For others, however, questions are raised about the causal relationship. They believe additional housing and density may simply attract more residents, undermining the impact on affordability while also bringing what they see as other negative impacts tied to growth and density. In other words, increased supply will not lead to lower costs if it simply attracts more demand. These arguments at times lead to calls for more specific policies that would better ensure a direct impact on affordability (such as direct subsidies or inclusionary zoning policies that would require developers to build a certain percentage of affordable housing with each project). This issue is somewhat an empirical one that could benefit from some focused research on impacts. Commenters were clearly working from different basic assumptions of this relationship.

Review process for developments

A high majority of the comments regarding the review process defended the need for neighborhood meetings and at times called for additional or improved public engagement beyond what is currently required . The attempt to remove the meetings was called "draconian," "disenfranchising," and "a slap in the face." Residents argued that neighbors should have "meaningful input" and a "genuine say" in changes that would impact their property. Many of the comments were particularly negative about developers and "outside investors" that were assumed to not have the best interest of the neighborhood in mind. In addition, a few comments requested more transparency regarding the process after neighborhood meetings and how any input was taken into account. Push back on the removal of requiring neighborhood meetings was limited, but focused on concerns about the overrepresentation of local voices that would tend to oppose any new development, and the absence of voices of potential new residents.

Multiplexes

Comments regarding multiplexes (duplexes, triplexes, etc.) were rather varied. Several comments were in favor of more variety of housing overall and the need for more of the "missing middle" housing that multiplexes represent. Such housing is critical for younger residents as well as older residents looking to downsize. Some comments were supportive under particular conditions (such as fitting in to the character of the neighborhood or overall number being limited). A third group was more explicitly opposed, often due to the negative impact on neighborhood character and parking. One key concern expressed was if developers bought lots with smaller homes which are currently more reasonably priced, and demolished them for several units that may each be less affordable in the end. They argued that allowing multiplexes would make those lots much more lucrative for outside investors. Overall, the question whether these new developments would be affordable or simply a benefit to developers was a key contention.

Growth

Many residents are particularly concerned about growth overall. While they may express support for the need for affordable housing, efforts that primarily lead to more growth are particularly problematic to them unless the benefits are clear. Some push back on the predictions of growth, and argue that the city should not be responsible for finding housing for future potential residents. They believe that working to fill that need will incentivize growth while not actually impacting affordability (these arguments work closely with the "supply and demand" arguments summarized above). Many of those expressing these concerns also specifically mentioned environmental concerns, particularly water.

Water and additional infrastructure

One of the concerns mentioned quite often concerned questions about the infrastructure to handle the increased density that was being considered. These concerns often focused on water in particular, but also mentioned the electric grid, wastewater, storm water, transportation infrastructure, gas supply, etc. These concerns were primarily calls for the need to consider the infrastructure impacts to increasing density and to address them in any plans, though some comments argued more than our infrastructure is already taxed and simply cannot handle additional population.

Secondary themes

Some additional themes that may be of interest. These were not as prevalent as others, but involved some key issues.

Inclusionary housing policy

A number of comments supported relying on "mandates" or "requirements" for more affordable housing or deed restricted housing. Some specifically mentioned the concept of "inclusionary housing," but others seemed to argue for them without the specific term. The argument here was often that incentives by themselves would not be sufficient, and that we needed to rely on "proven," "intentional," or "focused" efforts that would insure more affordable housing. Some comments also wanted to require more specified affordable housing units with new development than was required in the 2022 changes that were repealed (for example, arguing for 50% or 2 of 3 in new developments). Only one comment pushed back on inclusionary housing. One point of potential concern here is that it isn't clear whether proponents of this policy recognize that requiring inclusionary housing may limit developer interest, especially when nearby communities do not have such requirements. Overall, more clarity on the pros and cons of inclusionary housing is likely warranted.

Engagement process for land use code changes

Comments about public engagement were generally split in two ways: engagement in the land use code changes process itsefl, and then the actual engagement process for specific developments. This section focuses on the former, and the latter was discussed above. As mentioned earlier, there were a high number of positive comments specifically about the walking tours and the open house (and a few complaints), but otherwise broader comments about the engagement process expressed concerns about the overall process or made suggestions for improvements. Concerns included being too rushed, too focused on defending the past changes, insufficient communication, or insufficient opportunities. A few comments about the engagement before the changes made in the fall of 2022 were also offered, as well as a warning that changes would be recalled again if not sufficiently limited.

Developers

Developers were generally described in a negative light when mentioned, at times with terms such as vultures or predators. A few argued that while they support more affordable housing overall, they fear that measures with such goals will be taken advantage by "outside" developers or investors that would take the benefits and only leave the costs to the neighborhood.

Support for LUC changes from 2022

A set of comments did express support for the LUC changes made in 2022 that were subsequently repealed. Some simply expressed their support and called for the changes to be reinstated. Others provided specific reasons such as the need for more diversity of housing, support for workers to be able to live in Fort Collins, and wanting to avoid problems caused by additional sprawl and inequity. Some argued that the negative consequences of the code changes were exaggerated, and recognized that neighborhoods and cities must adapt as they grow.

Part 2: Analysis

I have paid particular attention to the discourse around housing at least since a CPD event with the city in spring of 2018 that was designed to help people understand the various viewpoints around affordable housing and housing affordability. For that event, I developed this <u>viewpoints document</u> and wrote <u>this report</u> about the conversations it sparked. During my fall 2022 Civic Engagement graduate class that is part of the Masters in Public Policy and Administration program, I focused on housing policy as an ongoing example for the class to engage. For the past year, I have also assisted the *Coloradoan* with their Coloradoan Conversations discussions, and there have been numerous questions connected to housing during those discussions. Those conversations have not yet been added to this analysis, but those conversations have contributed to my overall understanding of the issue and the public perspective.

In my work, I use the frame of wicked problems often to try to understand complex issues and find better ways to engage them. Briefly, a wicked problems lens assumes tough issues are difficult to discuss and address because they inherently involve competing underlying values that create difficult tensions and tradeoffs. Psychologically, we prefer clarity, so we tend to avoid such tensions, and prefer to see issues as if our side is connected to positive values and the other either rejects those values or has negative motives. Said differently, we prefer to assume problems are caused by wicked people rather than putting the wickedness in the problem. A wicked problems analysis works to identify the underlying positive values inherent to different perspectives on issues, in order to surface the tensions and make them explicit. The hope is that when faced with the tensions, we can then tap into some of the best aspects of human nature—our creativity—when we attempt to negotiate the tensions (rather than avoid them or assume they doesn't exist). This essay provides more background on this perspective.

I'm currently working on a separate essay that makes the argument that housing issues represent a particularly difficult form of wicked problem. It has numerous underlying values like all wicked problems, but additional factors make it even more difficult to address productively. Some initial thoughts that I am working to refine for that essay are available here.

With those perspectives in mind, here are some of my thoughts about the big picture related to the comments I analyzed focused on the potential Land Use Code updates. Overall, I see four significant topics that to me warrant some discussion.

Issue #1 Varying perspectives on growth. There are at least three typical positions here that conflict. Some people are very concerned about growth, whether due to environmental capacity or quality of life issues, and hope to limit growth if possible. This is a vocal group that generally opposes measures to increase housing, seeing them as incentivizing growth. They may be sympathetic to the need for more affordable housing, but either that support is outweighed by the concerns about growth, or they support very specific policies that would provide more affordable housing without the need for significant population growth. For this group, the LUC changes that were passed in 2022—which focused on increasing density and housing supply—was highly problematic. A second group may hold similar concerns generally, but see

growth as something that is rather inevitable, especially in a quality city in Colorado like Fort Collins. They focus, therefore, on finding ways to manage the growth they assume is coming (the first group tends to reject this premise). A third group—one not necessary active in the data analyzed here—is more apt to welcome growth, as more population equates to more customers and/or taxpayers, and, in their eyes, a more vibrant city. These different perspectives reveal fundamentally different starting points and spark distinct reactions to policy ideas. In particular, in this data, whether the state demographers estimate of a 70,000 increase to the Fort Collins population by 2040 (cited in City Plan and mentioned by several commenters) is something to assume and prepare for or something to push back on (or perhaps celebrate) represents a particular fault line. What isn't clear is the relative size of each of these groups. It should also be noted here that the first guiding principle connected to the Land Use Code process ("Increase overall housing capacity") is something that members of the first group would not support, meaning a basic premise of the process that city staff is working from is rejected by some residents. That is likely causing some of the concerns about the process being biased toward supporting the changes made in 2022.

Issue #2 Negotiating the tension between increased housing and negative impacts to neighborhoods. A primary tension across all the comments is between making enough changes to make a difference (to housing supply and, ideally, affordability) but not disproportionately changing the character of neighborhoods or significantly altering the situation people invested in. I would argue that most people, at least theoretically, are in support of more affordable housing, particularly to help those who work in Fort Collins to live in Fort Collins, and avoid becoming too exclusive and unequal of a community. The tension is not, in other words, with that goal, but rather with the best path to achieve it and what tradeoffs people are willing to accept. One way to interpret the pushback on the recalled 2022 changes is that many considered it a shift regarding that tension that overcorrected too much toward increased housing. The discussion this spring, therefore, often focused on finding a better balance between these goals. At the last council work session, city staff explicitly set up the discussion around this polarity, asking council for their preferences along continua between allowing more diverse housing choices and protecting neighborhood character.

In the data I analyzed, participants worked to negotiate the tension between increasing affordability while working to limit negative impacts focus on ideas such as:

• **Focusing on ADUs**, especially attached ADUs, which add capacity with less neighborhood impact than other options.

• **Focusing on removing U+2** based on the assumption that it would add capacity within existing houses, thus limiting neighborhood impact (Note: U+2 is not specifically part of the LUC discussions, but was brought up quite often in the comments).

• Focusing primarily on adding density to new developments rather than to existing neighborhoods.

• **Focusing efforts primarily on transit-oriented development**. This would work to avoid impacting most established neighborhoods, while also potentially reducing concerns about parking and traffic, two of the most discussed impacts of increased density.

All four of these policy ideas can be seen in two ways. More optimistically, they may represent ideas that work to negotiate the increased housing-neighborhood impact tension creatively, which is exactly what the process of identifying a tension and putting on the table seeks to do. Less optimistically, they may represent wishful thinking that in reality is avoiding the tension because they overestimate the practicality or impact of these ideas. Some key questions arise to discern which view has more merit, such as: How many attached ADUs (or less intrusive detached ones) could be developed? How much housing capacity would be added if U+2 was repealed? How much undeveloped space is left in Fort Collins for new developments and to what degree could the city require most new developments be higher density? What transit-oriented developments are possible, especially those that would limit impact on existing neighborhoods?

The case of ADUs is particularly interesting, and ADUs was the most frequent topic of discussion in the data. Some seem to believe numerous ADUs would be developed – thus making an impact on housing supply – while others seem to recognize that developing an ADU has several requirements and can be quite expensive (for example, ADUs require separate heating/cooling systems, kitchens, and bathrooms, and would incur Capital Expansion Fees that can be significant). I would argue that perhaps some people are confusing an official ADU with more general co-housing situations where someone is renting an unused room or portion of a home. Of course, if somehow too many ADUs are developed, then concerns about negative impacts about parking and traffic would arise. So for some ADUs are a threat because they will be too many of them, and for others they are not a solution to the housing problem because there will be far too few. Overall, it seems clear that people are operating under different assumptions concerning what allowing ADUs can provide.

Issue #3 – The supply and demand relationship between increasing housing and affordability.

A third key issue that warrants more discussion focuses on the comments summarized in the supply and demand theme. Similar to Issue #2, this builds off the idea that most residents theoretically agree with the overall goal of more affordable housing, but some argue that the policies initially proposed would fail to achieve that goal (while incurring significant other costs). A key aspect of different views here are assumptions about the impact of increased supply. The 2022 LUC changes were based on the idea that increased supply would lead to affordability, connecting the first two guiding principles (increase overall housing capacity and enable more affordability). At mentioned above, for some the clear starting point to address the housing crisis is simply the need for more housing. Critics disagreed with that argument, and either argued against increased supply or for more specific policies that directly lead to affordable housing. Supporters of both perspectives even cited studies and research to back their viewpoint. A better sense of what the broader literature shows may be helpful, especially since some cities have made policy changes related to this relationship in recent years. A second key aspect of this issue is how tenable some policy alternatives are that were suggested that are specifically tied to affordable housing. Several comments, for example, argue for either more inclusionary zoning to require developers to build more affordable housing, for direct subsidies to residents to help them afford housing, or for the city to simply build more affordable housing themselves. Such policies are seen as desirable to them precisely because they more explicitly target affordable housing without relying too much on increased density. Some commenters specifically mentioned a willingness to pay additional taxes to support such policies. Other comments seem to call for programs that specifically target groups such as young families or service workers that people want to help live in Fort Collins. The concern several expressed is that a broad focus on increased density would not ultimately benefit them but rather simply draw new population in or benefit "outside investors." Said differently, people want to help the people that are here. The question is whether these policies have merit to consider. Similar to above, do these have promise as ideas that can negotiate the tension creatively and better support affordable housing, or do they represent wishful thinking?

Issue #4 - The unique complexity of public engagement on housing issues

This fourth issue goes beyond the specific data gathered and analyzed and engages broader questions about the role of public engagement in housing issues. The bottom line is that engagement around changes such as those involved in the LUC discussion are particularly challenging. I have run processes on numerous issues across the years (the CPD has run over 500 meetings in our 18 years in northern Colorado), and a key concern about any sort of engagement is whether you are engaging a broad, somewhat representative cross-section of the community and relevant stakeholders to the issue. I would argue that housing code changes represent the most difficult issue I've engaged on this question of representativeness, for two key reasons. First, it is clear that some of the most powerful voices on this issue--current home owners in Fort Collins -- are generally supportive of the status quo. The reality of the situation is the housing "crisis" is not actually a crisis for them. The rising cost of housing mostly benefits them because it increases their equity and wealth (while for some the increased property taxes may be an issue if they are on a fixed income). When a significant portion of the population, particularly the most vocal and willing and able to engage, benefits from the status quo, it is difficult to engage in the sorts of conversations that are necessary to address the issue well. That being said, their support of the status guo need not be seen as simply nefarious and selfish (which critics applying the "NIMBY" -- not in my backyard -- label to them are apt to do). The practical reality is increasing density does incur costs to homeowners with little clear benefit. And from a psychological perspective, changes that are perceived to threaten major choices people made about their home and change the rules they believe they agreed to are significant and should not be dismissed. Humans react much more strongly to a perceived loss than potential gain, and react badly to any sense of loss of autonomy or control. If anything, the research shows that demonizing such groups generally backfires and stiffens their resolve. So we both need to recognize the legitimate concerns of current homeowners, while also working to avoid allowing them to have too much power over the conversation. Obviously this is a difficult balance to strike.

The second key reason engagement is difficult on this issue is that the primary beneficiaries of LUC changes are a particularly difficult audience to reach. Generally, they would be less able to attend public meetings or be involved in public issues (historically lower income residents are much less likely to participate), and in many cases the primary beneficiaries are not current residents. They may work in Fort Collins but not currently live here, or they may simply be future residents that would like to live in Fort Collins. As a result, voices that support the changes will be rather limited. There is a growing so-called "YIMBY" (yes in my backyard) perspective across the country, which at times include current homeowners that support changes that increase density and support more affordable housing even though they would likely bear the brunt of the tradeoffs. We saw some specific comments from them to this effect, such as the benefit of living in a more economically diverse community where workers can afford to live in the community outweigh their concerns about the impacts.

When the LUC changes were recalled, a primary argument was that the city did not adequately engage the Fort Collins public on the changes, and that the city council should focus more on the preferences of current residents and voters. Some called for the changes to go to the public through a referendum process. The reality is that across the country these sort of changes are unlikely to be supported by a majority of current residents, which is precisely why some have argued that expecting local municipalities to address the housing crisis is unrealistic (see this article in the Atlantic that explored how Colorado tried to make these changes at the state level because of this issue, but ultimately ran into a separate tension, the preference for local control).

I'll admit I struggled with this issue and how to address it in my analysis. Many of the key themes I reported on in part 1 represent basic arguments used to undermine new developments and efforts at increased density anywhere in the country. It seems clear that the data represents primarily the voices of current homeowners, so in some ways I am potentially simply reinforcing the inherent bias against these changes. That being said, the concerns of these homeowners are reasonable and should be taken seriously.

A final related concern here is I fear this issue could easily dissolve into a polarized adversarial conflict. A NIMBY v. YIMBY battle will likely be very unproductive. Much of my work is focused on trying to reframe issues away from overly adversarial us v. them frames, which tend to bring out the worst in human nature. The wicked problems frame, again, attempts to shift from such adversarial frames to more collaborative ones. Rather than facing an opponent or enemy and seeking to "win," we are trying to work together to address a shared problem. Housing issues are unfortunately naturally situated to fall into an adversarial frame, as the development of the two opposing interest groups soon after the passage of the changes last fall show. Considering one "side" would generally be satisfied with the status quo, an adversarial frame would disproportionaly benefit them.

Too manage this polarization, we must find ways to frame the issue that brings people together and avoids simple attacks on the motives of the other side. I believe focusing on the tensions explored in this section of the report is one way to do that. Putting more focus on the drawbacks of status quo is perhaps another. People are more likely to come together to address

a shared issue if status quo is seen as untenable long term. Most of the comments I analyzed in this report were reactions to potential changes, often highlighting concerns. There is much less discussion about the concerns related to non-action. If we are not proactive about addressing the affordability of housing, what will happen in Fort Collins? Hearing more voices from those struggling to remain in Fort Collins or forced to commute to work here would likely be helpful as well. Overall, I'll be working more on this question of alternative frames that can help limit the polarization of this issue as the conversations continue.