



Arapahoe County

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Board Summary Report

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To: Board of County Commissioners

Through: Bryan Weimer, Director, Public Works and Development

Prepared By:
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Presenter: Kat Hammer, Senior Planner, Public Works and Development

Subject:
LDC24-004 Affordable Housing - Land Development Code Amendment

Purpose and Request:

Affordable housing continues to be an ongoing challenge in both Colorado and in Arapahoe County. In May 2023, staff presented the BOCC with a list of potential code changes that could streamline our land development application processes and incentivize the development of affordable housing projects. The Board directed staff to work on a range of code amendments to achieve these goals, and staff has been working diligently on crafting the amendments, reaching out to stakeholders, and reporting back to the Board on progress. This County-initiated project proposes amending the Land Development Code (LDC), specifically, Chapter 2, Zoning Districts; Chapter 3, Permitted Uses; Chapter 4, Development Guidelines and Standards, Section 5-3.3 Zoning Procedures - Planned Unit Development; and Chapter 7 - Definitions.

The proposed draft language can be found in Attachment A. Please see Attachment B for the Planning Commission staff report which provides a more detailed explanation of the proposed changes.

Staff is also asking for a decision on the locational criteria for properties eligible for rezoning to the MU zone district (¼ -mile or ½-mile - see discussion below).

Alignment with Strategic Plan: Workforce and Community Prosperity - Promote and pursue a full continuum of housing options to support long-term economic stability.

Background and Discussion: Colorado has seen significant population growth in the last decade. Despite the rapid population growth, residential construction has been unable to keep up with demand. According to the Denver Regional Council of Governments (DRCOG) 2024 Regional Housing Needs Assessment, between 2023 and 2032, Colorado needs to produce 216,000 new housing units and Unincorporated Arapahoe County has a local need for 46,900 housing units by 2032. While housing is needed at all income levels, housing that is affordable for households earning less than 60 percent of Area Median Income represents the largest share. There are many reasons for the underproduction of housing units, but one of the key contributing factors we hear from the development community is zoning barriers - i.e., limitations on density, location, and housing types in

varying zoning districts.

Staff received direction from the BoCC in December 2023 to draft proposed LDC amendments that would encourage the development of affordable housing, and create a more streamlined process for development of multi-family and mixed-use zone residential projects. Given that mobile homes are also an affordable type of residential use, staff was also directed to draft amendments that would make mobile home park development easier and make other residential building types permissible in single-family zones as an alternative to stick-built homes, such as modular homes.

Additionally, in 2024, the Colorado legislature passed a couple of land use bills that mandate municipalities to make certain code changes to streamline the development of multifamily and affordable housing. One bill, HB24-1304, mandates that local jurisdictions shall not enact nor enforce regulations that establish a minimum parking requirement for multi-family residential development, adaptive re-use for residential purposes, or purposes which include at least fifty percent of use for residential purposes if those developments are within an applicable transit service area. Another bill, HB24-1313, focuses on zoning capacity. Municipalities are required to rezone parcels within locally designated transit centers to allow a minimum density of residential. The newly created MF and MU zone districts in this code amendment offer higher-density options for transit centers; both meet the transit center minimum density of 15 dwelling units per acre. Proposition 123 created the State Affordable Housing Fund which provides grant money to local jurisdictions. The initial step to qualify for access to these funds is a Local Government Affordable Housing Commitment, which includes a requirement to increase existing affordable housing units by three percent a year and an expedited review process for affordable housing developments. The proposed regulations align with recent legislation associated with land use passed by Colorado legislature.

Staff brought these draft code amendments to the Planning Commission on January 7, 2025, for discussion at a study session. The Planning Commission had concerns regarding impacts on existing infrastructure, concerns for the marketability of affordable units once complete, enforcement and monitoring of affordable units, and waiving neighborhood outreach meetings. See Attachment C for the Planning Commission study session meeting minutes.

Staff brought this topic to the BoCC on March 25, 2025, at a study session. Staff was directed to make four adjustments, specifically:

- Create a third tier for the affordable housing incentives to address neighborhood outreach meeting requirements;
- Draft the regulations to include a tiered approach for the minimum duration of restriction of affordable units;
- Request comment on the locational criteria for rezoning to the MU Zone District (i.e., should parcels with ¼-mile or ½-mile of a transit station be eligible to rezone to MU);
- Include reduced building permit review timeline and building permit fees in the affordable housing incentives chart.

Staff posted the draft regulations on the County's website on Tuesday, May 27, 2025, for 30 days. The posting also included three maps depicting eligible areas for MU zoning (Attachment D). Public outreach also included emails requesting comments to seven adjacent jurisdictions, nine housing authorities and developers of affordable housing, and fourteen homebuilders who have previously submitted building permits to the County. Staff did not receive any direct emails from adjacent jurisdictions, housing authorities and developers of affordable housing or homebuilders. The online

posting forum collected 27 responses, one of which was a duplicate (see Attachment E). Of the 27 responses, nine comments were positive/in support of the proposed changes. The themes of the negative comments include concerns about reducing parking minimums, opposition to high density and multi-family development, concerns about stress on existing infrastructure, concerns about increased crime and lowering housing values, and equity concerns. Staff are not recommending revisions to the proposed regulations; a detailed explanation can be found beginning on page eight of the August 5, 2025, Planning Commission staff report (Attachment B).

Staff brought this topic to the Planning Commission on August 5, 2025, for a public hearing. No one from the public was present, and there were two callers, neither of whom wished to speak. The Planning Commission voted 3-2 recommending denial (one Planning Commissioner was absent and excused). The Planning Commission had concerns regarding the following issues:

- Waiving the neighborhood outreach meeting for the third tier of affordable housing incentives;
- Open space areas near transit being targeted for rezoning to the Mixed Use zone district;
- The allowable density of buildings in the transit area and how close to the street mixed-use buildings could be;
- Reducing on-site open space requirements and dedication of open space requirements for developments which incorporate affordable housing units.

Please see the attached August 5, 2025, Planning Commission minutes, Attachment F.

Staff is not recommending removing the waiver of the neighborhood outreach meeting in the third tier because staff was directed by the BoCC to create a third tier to address the neighborhood outreach meeting requirements at the March 25, 2025, study session. Neighborhood outreach is required in tiers one and two of the affordable housing incentives. Additionally, all rezoning applications would require a public hearing at the Planning Commission and BoCC, which requires newspaper publication, mailed notice to adjacent property owners, and posting the property with a sign. There would still be the opportunity for public input at the hearings so public input would still be a part of the process.

Although there are some open space areas within the $\frac{1}{4}$ and $\frac{1}{2}$ -mile radius of a transit station which could be eligible for rezoning to the MU zone district, open space areas would likely not be impacted due to the cost and difficulty in this type of development, and this would likely be discouraged by the approval and public hearing process in place to prevent such development. Staff analyzed the parcels within the unincorporated portions of Arapahoe County and found there were nine parcels in the $\frac{1}{4}$ mile radius and 15 parcels within the $\frac{1}{2}$ -mile radius zoned Open Space. The parcels are shown in green in Attachment D.

The proposed regulations allow higher density housing in the Urban Area, where there is access to water and sanitation districts, a built roadway system, and public transit. The intent is to allow high density in areas with existing infrastructure rather than promoting sprawl and single-occupancy vehicle use. Additionally, the recently enacted HB24-1313/transit-oriented communities requires higher density residential in proximity to transit areas.

Staff researched other jurisdictions and found that reducing the required on-site open space and dedication was not a common incentive or allowance. The City of Littleton allows on-site open space to be reduced up to 50 percent if the property is within $\frac{1}{4}$ mile of a city park or designated open space. The proposed amendment allows for a reduction of 10 percent on-site open space and a

reduction up to 50 percent if the site is located within $\frac{1}{2}$ mile of a public park or open space in tier two and three. This provides developments with access to nearby parks and open space, even if on-site open space is smaller.

The BoCC asked staff to query the public during the comment window whether there would be support for a $\frac{1}{4}$ -mile or $\frac{1}{2}$ -mile radius from transit to be eligible for rezoning to the MU zone district. Staff did not receive any public comment on whether we should allow Mixed-Use development from a $\frac{1}{4}$ r or $\frac{1}{2}$ -mile from a transit area. Staff researched other jurisdictions and found many jurisdictions with transit stations, and multiple bus routes did not provide a specific distance requirement for rezoning but rather state that the property must be within close proximity or adjacent to a rail station or other high-capacity transit service station. HB24-1313 defines “Transit Areas” as “Transit Station Areas” which are a $\frac{1}{4}$ mile buffer around urban bus rapid transit and frequent bus corridors, and “Transit Corridor Areas” which are a $\frac{1}{2}$ mile buffer around light rail, commuter rail and commuter bus rapid transit stations. Furthermore, The Federal Transit Administration defines Transit Oriented Development as “real property development that includes a mix of commercial, residential, office and entertainment uses centered around or located near transit station that is served by reliable public transit with a mix of other transportation options.” According to the Metropolitan Council, the area reachable by walking from a transit station or corridor area, typically within a 10-minute walk is approximately $\frac{1}{2}$ mile.

Based on the definition of Transit Areas and Transit Oriented Development and the lack of specific locational requirements in other jurisdictions, staff is recommending a $\frac{1}{2}$ -mile radius locational criteria for rezoning to the MU zone district. The $\frac{1}{4}$ -mile radius county wide includes 6,623 parcels, while the $\frac{1}{2}$ -mile radius includes 10,763 parcels eligible for rezoning to the MU Zone District in unincorporated Arapahoe County. Any rezoning to MU would require public hearings and would need to meet rezoning criteria, including general conformance with the Comprehensive Plan. The Four Square Mile Area is shown in the third map of Attachment D, the $\frac{1}{4}$ -mile radius includes 3,771 parcels while the $\frac{1}{2}$ -mile radius includes 4,783 parcels eligible for rezoning to MU in unincorporated Arapahoe County. These calculations include parcels that are completely within the buffer and parcels that have a portion within the buffer.

Based on the background provided above, the proposed amendments being presented here include:

- The creation of Multi-Family (MF) Residential and Mixed-Use (MU) Zone Districts; -Incentives for affordable housing development;
- New housing types being added to the permitted uses table;
- Changing parking and access standards for mobile home park development;
- Creating development standards (setbacks, height) for the new MF and MU zones;
- Updating parking regulations to align with recent State legislation;
- Streamlining the PUD process for affordable projects;
- Updating the Definitions section of the code to include additional housing types and align with recent State legislation.

Alternatives: The Board of County Commissioners has alternatives that include the following:

1. Approve the proposed Land Development Code with Conditions of Approval as recommended by staff or with changes.
2. Continue to a date certain for more information.
3. Deny the proposed Land Development Code amendment.

Fiscal Impact: In 2022, the BOCC adopted reduced Planning review fees for land use applications which incorporated affordable housing into their plans. If the affordable housing code changes are adopted, staff will present affordable housing fee schedule changes to the Board.

Alignment with Strategic Implementation Strategies: The attached framework helps Arapahoe County institutionalize values-based, transparent decision-making, documenting how we make decisions and carry out actions to achieve the county's strategic plan. The proposed code amendments align with the following County Strategic Implementation Strategy: Workforce and Community Prosperity - Promote and pursue a full continuum of housing options to support long-term economic stability.

Staff Recommendation: Staff recommends approval of the proposed amendment as presented, including locational criteria for rezoning to the MU district set at a ½ -mile radius.

Concurrence: The Public Works and Development Department coordinated the draft changes with the Community Resources Department and the County's Attorney's office. Planning Commission voted 3-2 to recommend denial of the draft changes, for the reasons stated earlier in this report.