



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; Ava Pecherzewski, Development Review Planning Manager, PWD

Subject:

9:30 AM *Proposed Land Development Code Amendments for the Creation of Affordable and Attainable Housing

Purpose and Request:

The purpose of this study session is to discuss staff-suggested Land Development Code (LDC) amendments that would encourage and incentivize the development of affordable housing. Staff is requesting direction on several potential code amendments, including whether to proceed with drafting development standards for the Residential Multi-Family and Mixed-Use zone districts.

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. Between 2010 and 2019, over 273,000 new households moved to Colorado while only 249,000 housing units were constructed. Between now and 2030, Colorado needs to produce 45,000 housing units per year to meet demand, while the average production of new residential is approximately 26,500 new housing units per year. 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 Board of County Commissioners (BOCC) in May 2023 to draft proposed LDC amendments to further promote affordable and attainable housing. Staff is recommending amendments to reduce the review timelines and fees, create a mobile home overlay in rural commercial areas, create incentives for affordable and attainable housing and Transit Oriented Districts (TODs), revise the mobile home code, clarify that modular homes are permitted where single-family homes are permitted, and add standards for a Residential Multi-Family zone district to the Land Development Code.

Reduced Timeline

Staff is recommending reducing the timelines for qualifying affordable and attainable housing Planned Unit Development (PUD) projects. Staff is recommending amending Section 2-6, PUD, Planned Unit Development to allow affordable and attainable housing projects to qualify for the two-step PUD process, which would eliminate one public hearing at the Planning Commission and reduce the number of required applications. The three-step PUD process requires a Planning Commission recommendation and Board action for the first step, Planning Commission action for the second step, and staff review for the third step. The two-step PUD process requires a Planning Commission recommendation and Board action for the first step and staff review for the second step. Staff will confirm that a project is affordable or attainable by requiring the applicant to submit documentation from the Department of Local Affairs and confirmation of deed restrictions (if applicable).

Staff is also recommending reducing the development review timelines for qualifying projects. The timelines would be reduced on the second, third, and consecutive reviews by five days each. The first review timeline is 20 business days and staff is not recommending reducing the first review timeline because outside referral agencies provide comments during the first review period. Currently, the second review timeline is 15 business days, the third review timeline is 10 business days and the fourth and consecutive review is five business days. Staff is recommending 20 business days, 10 business days, and 5 business day review timeline for affordable and attainable housing. (Amend Section 2-2.2, Specific Development Plan (SDP) - 2 Step Process and 2-2.4 Administrative Site Plan (ASP) - PUD of the Development Application Manual).

Reduced Fees

The Planning Division reduced review fees for affordable and attainable housing with the 2022 LDC amendment. Applications proposing affordable or attainable housing qualify for a fee reduction percentage equal to the percentage of affordable or attainable units provided in the development, but not to exceed a 50% reduction. Staff is recommending revising the Engineering Services Division Review Fee Schedule (attached) to reduce the base plan review fees by 50% for qualifying projects. Per Proposition 123 projections, unincorporated Arapahoe County is committing to 141 units of affordable housing over the next three years. If the review fees are reduced and the qualifying affordable units are part of a single project, staff estimates a revenue loss of approximately \$26,000, which represents about 7% of 2022 review fees. The Planning Division and Engineering Division collected approximately \$385,000 in review fees in 2022 and \$242,000 year to date for 2023. See Attachment A for a detailed explanation of this estimate.

Housing Definitions

Staff recommends amending Chapter 7: Definitions, to revise the definition of a manufactured home and mobile home and add definitions for modular home and tiny home. Modular homes and manufactured homes only have one key difference and that is how they are assembled. Modular homes are brought over in sections, typically one prefabricated wall at a time and assembled on site, whereas a manufactured home is built in pod-like sections, typically a whole floor at a time, and constructed on site. Once fully assembled, however, there is little to no difference between the two, and many manufacturers use the words interchangeably. Both types are fully anchored to a permanent foundation. While they are transported on wheels to the foundation, the wheels are temporary, and their sole purpose is to transport houses to their sites. A mobile home is a factory-assembled structure that is fully assembled in the factory. It is without a permanent foundation and is designed to be transported on its own wheels, arriving at the site as a complete dwelling unit. Removal of the wheels and placement on a foundation does not change its classification and the wheels have no other purpose outside of moving that singular house.

Colorado HB22-1242 regulates tiny homes, which are typically manufactured, where no other construction standards otherwise exist. A tiny home is defined as a structure that is permanently constructed on a vehicle chassis and is designed for long-term residency. The structure shall include electrical, mechanical, or plumbing services that are fabricated, formed, or assembled at a location other than the site of the completed home. The structure shall not be self-propelled and should not have a square footage of more than 400 square feet. Staff is recommending expanding where mobile homes are permitted; currently, they are only permitted in mobile home subdivisions. Staff is recommending allowing mobile homes as a permitted use in the A-E, A-1 and RR-A zone districts, all of which allow agricultural uses. Staff is recommending manufactured homes and modular construction as permitted uses in any residential zone district, including Planned Unit Developments.

Rural Commercial Mobile Home Overlay

Mobile and manufactured homes can be an affordable home ownership option. Currently, Arapahoe County allows mobile homes within mobile home parks (R-M zone district) and manufactured homes in the A-E, A-1, RR-A and R-M zone districts. Mobile homes would need to meet the principal setbacks in each of these zoning districts, see Attachment B. Some commercial zones in Strasburg and Byers have existing mobile homes outside of mobile home parks. Modern mobile and manufactured homes can be aesthetically indistinguishable from on-site “stick-built” housing and modular housing systems are becoming more common in the homebuilding industry. Allowing these types of uses in commercial zones in rural town centers such as Byers and Strasburg, could increase housing options and allow existing aging units to be replaced. Staff is recommending amending the permitted use chart to allow mobile homes in the Strasburg Business/Commercial Overlay Zoning (see Attachment C). Staff is recommending amending Section 2-5, Overlay Districts to create an overlay boundary in the Byers commercial area, including the intent and specific criteria. Attachment D shows a potential overlay boundary. Staff intends to conduct community outreach to define the boundary of this proposed overlay.

Incentives

Staff is recommending amending the LDC to incentivize affordable and attainable housing developments. Staff reviewed other jurisdictions in the area and recommends a structured approach to incentives that divides

projects into one of two groups: Projects that are 12 units or fewer and projects that are 13 units or more. The proposal provides incentives for projects that are 80% AMI and additional incentives for projects that are 60% AMI. Staff is proposing to provide incentives for projects where at least 5% of the units meet the affordability standards. Based on research of inclusionary zoning codes, which range from 5-15% of affordable units. Community Resources recommended a 5% threshold due to the lack of applications for affordable housing.

For Affordable Housing Projects that are 12 units or fewer

80% AMI

- Up to a 50% Planning Fee reduction per the Planning Fee Schedule
- Only require 1 parking space per unit
- Up to 10% density bonus
- One additional story in height
- Up to 10% open space requirement reduction

60% AMI

- 75% Reduction in Planning Fees
- Only require 1 parking space per unit
- Up to 20% density bonus
- Two additional stories in height
- Up to 20% open space requirement reduction

For Affordable Housing Projects that are 13 units or more

80% AMI

- Up to a 50% Planning Fee reduction per the Planning Fee Schedule
- 0.85 spaces per dwelling unit
- Up to 10% density bonus
- One additional story in height
- Up to 10% open space requirement reduction

60% AMI

-75% Reduction in Planning Fees

-0.8 spaces per dwelling unit

-Up to 20% density bonus

-Two additional stories in height

-Up to 20% open space requirement reduction

Attachment E summarizes the Institute of Transportation Engineers Parking Generation Manual data for Affordable Housing and general Multi-Family Housing. The 2020 Fox Tuttle and Shopworks Architecture audit of parking usage in affordable housing along the Front Range (Attachment F)

Mobile Home Subdivision Standards

Staff is recommending amending Section 2.3-1.3 R-M, Residential - Manufactured/Mobile Home and Section 3-3.2.C Manufactured/Mobile Home Parks or Subdivision of the LDC to alleviate some burdensome barriers to creating Manufactured/Mobile Home Parks and/or Subdivisions. Staff researched other jurisdictions and is recommending reducing parking and access requirements. Currently, the LDC requires manufactured/mobile home parks or subdivisions to abut or have access to streets and highways no less than 60 feet wide for two-way traffic and two off-street parking spaces for each residence. Staff is recommending manufactured/mobile home parks or subdivisions abuts or have access to streets no less than 45 feet wide for two-way traffic. The standard could also be based on street classifications; Arapahoe County's collector street is 50 feet from flowline to flowline. The City of Aurora requires a minimum of 30-foot-wide streets for mobile home parks, staff split the difference between our current code and the least restrictive requirement reviewed during research. As part of the code update process, staff will seek additional input from fire districts and engineering on best practices. External streets and entrances need to provide room to maneuver units into and out of the site and internal streets must provide adequate access and circulation. Staff is recommending reducing the required number of off-street parking to one space per residence. See Attachment F.

Multi-Family Zone District

The LDC includes a placeholder for a Residential Multi-Family Zone District, so all multi-family development requires a PUD process. Staff is recommending three tiers of multi-family development within the Multi-Family Zone District, specifically: Neighborhood Multi-Family, Corridor Multi-Family, and Transit Oriented Development (TOD) Multi-Family. Attachment H includes the draft language for each classification of multi-family and proposed density and building height standards. Staff is providing general guidelines for multi-family development and if directed to move forward with the tiered approach, staff will provide more details in the draft regulations. The PowerPoint includes illustrations of multi-family developments at or around the proposed densities in Attachment H.

Mixed Use Zone District

The LDC does not include a mixed-use zone district, so all mixed-use development requires a PUD process. Staff is recommending amending the LDC to include a mixed-use zone district. Staff is providing general guidelines for mixed use development (Attachment I) and research from other jurisdictions mixed-use zone districts (Attachment J). If directed to move forward staff will provide more details in the draft regulations.

Project Schedule

During the first quarter of 2024 staff will refine the draft regulations and conduct public outreach. During the second quarter of 2024 staff will summarize public outreach comments, revise draft regulations, if necessary, and hold a public hearing at the Planning Commission and at the Board of County Commissioners.

Fiscal Impact:

As mentioned in the section above, staff estimates a revenue loss of approximately \$26,000 in Planning and Engineering Division land development review fees. The Planning Division and Engineering Division collected approximately \$385,000 in review fees in 2022 and \$242,000 year to date for 2023. The fee reduction for a qualifying project would be less than 7% of annual fees.

Alternatives:

Amending the Land Development Code to include affordable and attainable housing regulations could help the County and individual property owners address the growing issue of housing affordability and availability in unincorporated Arapahoe County. The Board could also opt to make no changes to the Land Development Code; however, doing do may constrain the future supply of affordable housing in Arapahoe County.

Alignment with Strategic Plan:

- Be fiscally sustainable
- Provide essential and mandated service
- Be community focused

Staff Recommendation:

Staff recommends the Board of County Commissioners provide direction on the potential code amendments.

Concurrence:

Public Works and Development staff conducted monthly meetings with Community Resources to discuss affordable and attainable housing as a joint matter. Further review and comment from Arapahoe County Divisions, outside agencies, and the public will be requested once staff receives direction and regulations are drafted.