

ARAPAHOE COUNTY PLANNING COMMISSION
PUBLIC HEARING
AUGUST 5, 2025
6:30 PM

SUBJECT: CASE NO. LDC24-004 - AFFORDABLE HOUSING LAND DEVELOPMENT CODE AMENDMENTS

KAT HAMMER, SENIOR PLANNER

PURPOSE AND REQUEST

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 changes include:

- The creation of Multi-Family (MF) Residential and Mixed-Use (MU) Zone Districts and standards;
- 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.

The proposed draft language can be found in Attachment A.

In relation to the new Mixed-Use Zone district, there is proposed locational criteria for properties to rezone to this district, and staff is also requesting a recommendation on the required proximity from arterial streets (and higher classified streets) and transit systems as locational criteria for rezoning to the MU Zone District. Attachment B includes three maps, depicting a quarter mile and half mile buffer.

BACKGROUND

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 Board of County Commissioners (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, HB24-1303, mandates that municipalities 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 and affordable housing developments. Another bill, HB24-1313, focuses on zoning capacity. Municipalities are required to rezone parcels within a certain distance of transit areas, as defined on a map, to allow a minimum density of residential. The newly created Multifamily and Mixed-Use zone districts in this code amendment will facilitate this legislation. The bill sets housing goals based on transit stations and transit corridors and requires municipalities to rezone transit areas based on an average density of 40 dwelling units per acre, with a minimum of 15 dwelling units per acre. The bill itself does not require local governments to ensure housing is built, and there is no penalty in HB24-1313 if units are not built if Arapahoe County has zoned capacity. The preliminary report estimating the County's Housing Opportunity Goal (HOG) was due to the Department of Local Affairs (DOLA) on June 30, 2025. After removing exempt parcels, Arapahoe County's HOG is 24,463 housing units. With an estimated zoned density of 5,287 units, Arapahoe County will need to approve zoning density for approximately 19,176 additional units. The Final Transit-Oriented Communities Assessment Report, including affordability strategies, displacement mitigation strategies, and documentation of community engagement efforts, is due to DOLA by December 31, 2026. The county must meet the Housing Opportunity Goal by December 17, 2027. The creation of MF and MU Zone districts may help the County reach the goals of Proposition 123 and HB24-1313.

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. Arapahoe County Community Resources filed an Affordable Housing Commitment including details of the County's goal of 130 affordable unit increase (see Attachment C). Community Resources is working closely with municipalities and the state to identify how the County will meet this goal.

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 the following issues:

- Impacts on existing developments of the proposed changes to the LDC including infrastructure and roadways.
- Whether adequate funds would be accessible to developers.
- Concerns for the marketability of affordable units once completed.
- Enforcement and monitoring of affordable units.
- The proposed code amendment would allow affordable housing projects to bypass a neighborhood meeting requirement in order to streamline the process. The Planning Commission recommended that the proposed changes be modified to require neighborhood meetings before formal application, regardless of whether the development included affordable housing units.

See Attachment D for the study session meeting minutes.

Staff brought this topic to the Board of County Commissioners on March 25, 2025. Staff was directed to make four adjustments to the draft regulations, specifically:

- Create a third tier for the affordable housing incentives to address neighborhood outreach meeting requirement. Tier one has a minimum of 10 percent affordable housing units, tier two has a minimum of 25 percent affordable housing units and tier three has a minimum of 50 percent affordable housing units. Tiers one and two require a neighborhood outreach meeting and tier three waives the requirement for a neighborhood outreach meeting prior to formal application submittal.
- Draft the regulations to include a tiered approach for the minimum duration of restriction of affordable units. Tier one requires a minimum of ten years restriction, tier two, a minimum of 15 years restriction, and tier three, a minimum of 20 years restriction.
- Request comment on the locational criteria for rezoning to the MU Zone District. Staff created maps depicting a quarter and half mile buffer from arterial (and higher classified streets) and posted them to the public comment website. Staff did not receive any comments from the public, adjacent jurisdictions, housing authorities and developers of affordable housing, and homebuilders who have previously submitted building permits to the County on the proposed locational requirements.
- Include reduced building permit review timeline and building permit fees in the affordable housing incentives chart.

PROPOSED REGULATIONS SUMMARY

Establishment of a new Multi-Family Zone District with Locational Criteria (Chapter 2-3.14)

Currently, development of apartments or other multifamily residential (townhomes, etc.) is not permitted by-right in the Land Development Code. Thus, all multifamily residential development is required to go through a lengthy PUD process. Most municipalities have a Multi-Family Zone district that allows these types of development with approval of a site plan without requiring public hearings, if all the development standards for that zone (setbacks, height, etc.) are met. Creation of this new zone district will facilitate the development of multifamily residential without requiring public hearings if all standards are met. Thus, streamlining the process. State legislation requires municipalities to provide a streamlined process for development of multifamily uses adjacent to transit areas.

In reviewing the locational criteria for allowing multifamily in other jurisdictions, the consistent requirement is that the parcel be located adjacent to arterial/collector streets where bus and train stops are located and because proximity to large thoroughfares leads to walkability to other uses such as grocery and retail stores and services. This has been added as a locational criteria in the new Multifamily zone district, meaning, in order to rezone to Multifamily, a parcel would have to near an arterial street and transit systems that are in close proximity to neighborhood services and employment.

Allowable density in these zones is more of a medium density, with a range of 13-35 dwelling units per acre (maximum allowed would be 35 units per acre) and a maximum height of 55 feet for multifamily projects. Allowable uses in the MF zone would be any residential type except single-family, such as apartments and townhomes.

Establishment of a new Mixed Use Zone District with Locational Criteria (Chapter 2-3.15)

The recently enacted HB24-1313 requires allowance of high density residential in proximity to transit areas. The purpose of this is to permit walkable residential buildings to transit, thus decreasing reliance on vehicles. In terms of locational criteria, staff considered parcels that are within a one-quarter mile of a transit area, however, the BOCC in a study session asked staff to query the public during the comment window whether there would be support for a half-mile radius from transit. Staff did not receive any public comments on whether we should allow Mixed-Use development one-quarter or a half-mile from a transit area.

Staff researched other jurisdictions and found many jurisdictions with transit stations, and multiple bus routes do 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. The most similar zone district in the City of Aurora, Mixed-Use – Transit-Oriented Development District (MU-TOD) requires property with this zone designation be “adjacent to the rail station or other high-capacity transit service station and generally extends no more than one-quarter mile from the station. The City of Englewood’s Transit Station Area Specific Plan allows for a minimum density of 75 dwelling units within a quarter mile and half mile of a transit station, with the main difference between the two distances being a reduction in parking requirements.

HB24-1313 defines “Transit Areas” as “Transit Station Areas” which are a quarter-mile buffer around urban bus rapid transit and frequent bus (15-minute service or better) corridors, and “Transit Corridor Areas”, which are a half-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 a 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 one-half 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 half-mile radius locational criteria for rezoning to the MU zone district. The quarter-mile radius county wide includes 6,623 parcels, while the half-mile radius includes 10,763 parcels eligible for rezoning to the MU Zone District. The Four Square Mile Area is shown in the third map of Attachment B, the quarter-mile radius includes 3,771 parcels while the half-mile radius includes 4,783 parcels eligible for rezoning to MU. These calculations include parcels that are completely within the buffer and parcels that have a portion within the buffer.

The proposed minimum density in the MU zone is 35 dwelling units per acre and the proposed maximum height is 75 feet. This density is in alignment with HB24-1413 in that an average density of 40 dwelling units per acre (with a 15-unit per acre minimum) is required in order to achieve state-mandated density goals around transit. The MU zone would allow for ground-floor commercial uses such as retail, office and restaurants with multifamily residential above.

Incentives for affordable housing development **(Chapter 3-3.J)**

Because strict zoning compliance can often be a barrier to the development of affordable housing, many jurisdictions offer incentives to give developers the ability to gain additional density or height that will allow a project to become financially feasible. In exchange, the municipality receives some type of legal tool that guarantees the units will be affordable to certain income levels (e.g., deed restrictions or Memorandums of Understanding) that are recorded against the property. Staff reviewed affordable housing incentives from many municipalities along the Front Range and developed a range of tools that could be employed, depending on how many affordable units are being offered in a project. Mile High United Way estimates that increasing height limits alone could result in a 9-10% increase in units per affordable housing project, resulting in an additional 800-850 additional units of Front Range Colorado Housing Finance Authority (CHFA) funded projects over the next five years (*Colorado's Housing Affordability Crisis 2025, p 15*).

Staff initially developed a two-tier approach, with incentives for projects containing at least 10 percent of the units as affordable, and another set of incentives for projects that were over 50 percent affordable. The BOCC reviewed this draft in a study session on March 5, 2025, and directed staff to create a third tier, such that incentives were broken down to:

- Tier 1: Projects with at least 10 percent affordable units.
- Tier 2: Projects with at least 25 percent affordable units.
- Tier 3: Projects with at least 50 percent affordable units.

The three tiers offer zoning and financial incentives including density bonuses ranging from 10 to 50 percent above the maximum residential density allowed in the underlying zone district as well as increased height allowances, ranging from one to two stories in height. Tiers two and three allow for reduced setbacks and on-site unobstructed open space. Public Land Dedication for public parks is waived for affordable units in tier three. All three tiers allow for a two-step PUD process regardless of the proposed density and size of the property, and tier three waives the requirement for a neighborhood outreach meeting before formal application submittal. Tiers two and three also offer landscaping and tree preservation incentives.

Tiers one and two offer a reduced planning and engineering review timeline and the option to submit building permits after the second round of staff review comments, rather than waiting until the site plan is finalized and signed. All three tiers allow for an expedited building permit plan review timeline, and tier one allows for a 15 percent reduction of the published review time for the permits. For example, if the plan review is six weeks, plans will be reviewed in five weeks. Tiers two and three offer 25 percent and 50 percent respectively. All three tiers also offer a building permit application fee reduction, 10 percent for tier one, 25 percent for tier two and 50 percent for tier three.

The tiered approach offers the greatest incentives for tier three, which requires a minimum of 50 percent affordable housing units within the development. The rationale to the tiered approach is that projects with more affordable units are assuming a greater risk and therefore require more incentives to make the project financially feasible.

New housing types being added to the permitted uses table
(Table 3-2.1)

The current LDC does not include additional types of dwelling units, specifically: Live-Work Dwelling Units, Assisted Living Facilities, Overnight Shelters and Transitional Housing. Allowing these types of additional housing types in the LDC can help address homelessness, promote social equity, encourage diverse housing options, foster a more inclusive community and improve public health and safety. Chapter 7 of the LDC was also updated to provide definitions for these housing types.

Changing parking and driveway standards for mobile home park development;
(Chapter 3-3.2.C – Manufactured/Mobile Home Parks)

Mobile home parks are a very affordable alternative to providing low-cost housing. Feedback from the development community indicates that certain development standards for mobile home parks can be onerous, such as requirements for access roadway widths and parking. After discussion with Engineering staff and researching other jurisdictions, we found that we could allow for narrower access roadway widths and less required parking in mobile home parks, and adjustments were made to this section.

Creating Development Standards (setbacks, height, density) for the new MF and MU Zones
– Chapter 4-1.3

As noted above, staff has proposed a medium-level of density for the Multifamily zone of 13 to 35 dwelling units per acre, with a maximum height of 55 feet, and this is consistent with other multifamily zones in other jurisdictions. Minimum lot width in the MF zone is 20 feet (to accommodate townhome subdivisions in which the garage footprints are typically 20 feet wide). A minimum amount of open space landscaping is required for projects in the MF zone at 20 percent of the project area. Setbacks in the MF zone are proposed as:

Front & Street Side (Corner): 20 feet in suburban areas (east of E-470) and 15 feet for urban areas (west of E-470) unless there is alley-access to a garage, then front yard is 10 feet.

Side: 10 feet

Rear: 10 feet unless there is alley-access to a garage, then rear yard is 6 feet.

In the MU zone, minimum density is set at 35 dwelling units per acre and maximum height is 75 feet. A minimum of 20 percent of the property must be landscaped open space and for each story above the first floor, an additional 5 percent landscaping is required. Given that mixed-use projects are typically close to transit stations and major arterial streets, the expectation is that the building is much closer to the street, so setbacks have been established at 5 feet from the street, or 20 feet if abutting a residential use, or 10 feet if abutting a commercial or industrial use.

Updating parking regulations to align with recent State Legislation;
(Chapter 4-1.2.C - Parking Requirements)

As noted above, HB24-1304 prohibits municipalities from enforcing minimum parking requirements on multi-family residential development, adaptive re-use for residential purposes, or purposes which include at least fifty percent of use for residential purposes and affordable housing developments. In alignment with this legislation, proposed changes to the parking requirements section of the code eliminate minimum parking requirements for these uses.

Streamlining the PUD process for affordable projects;
(Chapter 5-3.3.E.2 - PUD Procedures)

In an effort to streamline the PUD process, which can be onerous, for affordable projects, the BOCC directed staff to include code amendments that remove some of the process time it takes to proceed with a PUD rezone. The LDC requires a three-step process starting with a General Development Plan which must be reviewed by Planning Commission and approved by BOCC; then a Specific Development Plan which must be approved by Planning Commission; and then an Administrative Site Plan. This code amendment contains a provision that any projects that are providing at least 10 percent of the residential units as affordable can qualify for the two-step process.

Updating the Definitions section of the code to include additional housing types and align with recent State legislation.
(Chapter 7)

In 2024, the Colorado Legislature passed HB24-1007 which prohibited municipalities from placing a limitation on the number of unrelated occupants that can live in a household subject to generally applicable occupancy limits. The majority of jurisdictions limited household occupancy to five unrelated members under the definition of “Family” which is used to describe housing types (for example, “Single-Family Residential”). The current LDC definition of “Family” limits unrelated members of a household to five or less persons, and to be in compliance with HB24-1007, the number five has been removed from the definition.

The LDC currently includes definitions for manufactured homes and mobile homes but does not define/address other types of homes like modular or tiny homes. Staff revised the definition of a manufactured home to include mobile, modular tiny and other preconstructed dwelling units or a combination of preconstructed dwelling units constructed in compliance with federal manufactured home construction safety standards. These types of dwelling units can offer several benefits, including increased affordability and housing options and reduced construction time,

Please see Attachment E for the Planning Commission Study Session staff report and Attachment F for the BoCC Study Session Board Summary Report for a detailed description of the proposed changes.

REFERRALS AND PUBLIC COMMENT

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 B). 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 G). Of the 27 responses, nine comments were positive/in support of the proposed changes. The themes of the negative comments include pushback on 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.

Parking: A comment was received by staff recommending adding minimum parking requirements for any housing development that contains 20 or more units or contains regulated affordable housing to comply with HB24-1304. After further review of HB24-1304, Parking Requirements within Metropolitan Planning Organizations, there is stipulation allowing the county to impose and enforce minimum parking requirements in connection with a housing development project that is intended to contain twenty units or more or contain regulated affordable housing by requiring no more than one parking space per dwelling unit in the housing development. Regulated affordable housing is defined as housing that has received loans, grants, equity bonds or tax credits to support the creation, preservation or rehabilitation of affordable housing. The proposed regulations include no minimum parking regulations for multi-family developments and affordable housing developments. Any housing development may provide parking to meet federal or other standards; the proposed amendment eliminates parking minimums, but it does not create maximum parking ratios.

Staff is not recommending any changes to the proposed regulations because although HB24-1304 allows the county to impose and enforce minimum parking requirements on developments containing 20 units or more and affordable housing developments, the county must publicly publish written findings that find that not imposing or enforcing a minimum parking requirement in connection with the housing development project would have no substantial negative impacts. The written findings must be supported by substantial evidence that supports the finding of a substantial negative impact on safe pedestrians, bicycles, or emergency access to the housing development or existing on- or off-street parking spaces within one-eighth mile of the housing development. The findings must all be reviewed and approved by a professional engineer, include parking utilization data collected from the area and demonstrate that the implementation of strategies to manage demand for on-street parking for the area would not be effective to mitigate a substantial negative impact. Given the legislation's goal of eliminating parking minimums near transit, the waiver procedures and requirements are cumbersome for both county staff and the developer.

Stress on Existing Infrastructure: Staff received a few comments indicating the proposed regulations for higher density housing options would cause stress on the existing infrastructure. 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 have high density in areas with existing infrastructure rather than promoting sprawl and single-occupancy vehicle use. Furthermore, every development application is required to provide evidence that they have adequate water, sewer and electric capacity to serve the development, and must obtain acknowledgement from the serving school district that there is sufficient capacity to serve the development. Finally, all applicants must provide a traffic study that provides evidence there is sufficient road capacity to serve their development, or they are required to construct mitigation elements to provide adequate capacity. Traffic studies are reviewed by the County traffic engineer.

Equity Concerns: Public comment included a few concerns about equity, specifically: waiving the tree preservation requirements, removing landscaping and screening requirements, and locational requirements for rezoning to MU (near higher classification of roadways).

Staff is not recommending removing the tree preservation waiver for tiers two and three because infill development typically does not have large, mature trees on-site and would be another barrier for the developer, since the tree preservation regulations require a tree survey by a certified/registered forester, arborist or licensed landscape architect. Additionally, any removal of existing desirable trees must be replaced at least equal to the total number of caliper inches removed from the site, in addition to the required landscaping. Staff is not recommending removing the waived side landscape requirement for tiers two and three as this incentive may be crucial for infill projects.

The proposed regulations require a property be located within the Urban Area and conveniently located near transit stations and arterial and collector streets. Housing near transit stations and arterial and collector streets can create a more affordable place to live, with quick access to major corridors and gives residents an option of not having to own a car. It may also provide people with pedestrian, bike or public transit options to access nearby goods and services.

Neighborhood Outreach: The initial draft created two-tiers of affordable housing incentives and proposed waiving any required neighborhood meetings for all projects that provide at least 10 percent affordable units. Staff was directed by the BoCC at March 25, 2025, study session to create a third tier of incentives (25-50 percent affordable) and to waive the neighborhood outreach meeting for tier three (50 percent or more affordable) but require the neighborhood outreach meeting for tiers one and two. The City of Centennial provided a comment indicating they do not support waiving the neighborhood outreach meeting for tier three (minimum of 50 percent affordable housing units). Staff is not recommending any changes to the neighborhood outreach meeting waiver because this was a directive of the BOCC.

FISCAL IMPACTS

The proposed amendments are not anticipated to have any fiscal impact on Public Works and Development or Arapahoe County with the exception of reduced building permit review fees for eligible projects.

RECOMMENDATION

The proposed amendments comply with recent House Bills and State Initiatives and creates two new zone districts to better align with projects that currently have to be processed through the Planned Unit Development section of the LDC. Additionally, these code amendments promote affordable housing development in unincorporated Arapahoe County. Staff recommends approval of the proposed LDC Amendments.

ALTERNATIVES

The Planning Commission could take the following actions:

1. Recommend approval of the Land Development Code Amendments as proposed or with modifications.
2. Continue the amendment to a time and date certain for more information.
3. Recommend denial of the Land Development Code Amendments.

CONCURRENCE

Arapahoe County Public Works and the County Attorney have reviewed the proposed regulations and recommend approval.

PLANNING COMMISSION DRAFT MOTIONS – LDC24-004 - AFFORDABLE HOUSING LAND DEVELOPMENT CODE AMENDMENTS

Recommend Approval

In the case of LDC24-004 - Affordable Housing Land Development Code Amendments, I have reviewed the staff report, including all exhibits and attachments, and have listened to the staff presentation and any public comment as presented at the hearing and hereby move to recommend approval of the proposed amendments of the Land Development Code as presented in the staff report, subject to the following recommended stipulation:

1. Staff is authorized to make minor corrections or revisions to the proposed language, with the approval of the County Attorney, if necessary, to incorporate the approved amendments into the text of the Land Development Code.

Staff provides the following Draft Motions listed below as general guidance in preparing an alternative motion if the Planning Commission reaches a different determination:

Recommended Denial

In the case of LDC24-004 - Affordable Housing Land Development Code Amendments, I have reviewed the staff report, including all exhibits and attachments, and have listened to the staff presentation and any public comment as presented at the hearing, and hereby move to recommend denial of the proposed amendments to the Land Development Code.

1. *State new findings in support of denial as part of the motion.*

Continue to Date Certain:

In the case of LDC24-004 - Affordable Housing Land Development Code Amendments, I move to continue the hearing to [*date certain*], 6:30 p.m., to obtain additional information and to consider further the information presented.

ATTACHMENTS

- A. LDC Affordable Housing Proposed Amendments
- B. Eligible Areas in the County for MU Zoning
- C. Arapahoe County Affordable Housing Commitment
- D. January 7, 2025, Planning Commission Study Session Meeting Minutes
- E. January 7, 2025, Planning Commission Study Session Staff Report
- F. March 25, 2025, BoCC Study Session Board Summary Report
- G. Public Comments