



Agenda Memorandum

Agenda Item – {{section.number}}.C.

City Council Pre/Post Meeting
June 17, 2024

Strategic Priority 1: Access to Opportunity

Advance access to opportunity and prosperity for all in Westminster through diverse housing choices, increased mobility options, safe and walkable neighborhoods, and strong social networks

Subject: Presentation of Recently Approved State Planning Legislation (20 minutes)

Prepared By: Lindsey Kimball, CEcD, EDFP; Community Services Director
John McConnell, AICP; Planning Manager
Andrew Spurgin, AICP; Principal Planner

Recommended City Council Action:

Receive a presentation on recently approved state planning legislation.

Summary Statement:

- This presentation is a high-level overview of four planning-related bills the governor signed into law in May 2024.
- This presentation's purpose is to provide City Council foundational background in advance of the Colorado Municipal League (CML) conference where discussion of these bills may occur.
- A separate presentation with the City's state lobbyist is scheduled for July 29, 2024 to fully debrief City Council on the legislative session.
- House Bill (HB) 24-1152 allows accessory dwelling units (ADUs) anywhere single-family detached residences are allowed.
- HB24-1304 provides exemptions from minimum parking requirements in certain types of residential applications adjacent to transit facilities.

- HB24-1313 establishes Housing Opportunity Goals (HOG) and requires up-zoning of properties to meet the HOG independent of existing water resources or other infrastructure, as well as the creation of administrative approval procedures and affordability and displacement mitigation strategies in defined transit areas.
- Senate Bill (SB) 24-174 prescribes contents and methods for Housing Needs Assessments, Comprehensive Plans, and Water Supply Plans.
- HB24-1152 and HB24-1304 can be implemented by updating existing municipal regulatory documents; however, the anticipated timing and resource impacts of implementation of HB24-1313 and SB24-174 need further assessment and hence a future follow up with City Council will be scheduled. This will also provide time to assess the extent to which the scope of work for the Unified Development Code (UDC) project may need to be expanded.

Fiscal Impact:

Receiving this presentation requires \$0 in expenditures.

Source of Funds:

Not applicable.

Policy Issue(s):

Does City Council wish to receive an introductory presentation regarding HB24-1152, HB24-1304, HB24-1313, and SB24-174?

Alternative(s):

City Council could choose not to receive a presentation regarding HB24-1152, HB24-1304, HB24-1313, and SB24-174. This is not recommended due to the need to timely update City Council in advance of the CML Conference and for Staff to begin analyses on potential actions necessary to achieve compliance with the new legislation.

Background Information:

The Colorado legislature recently passed, and the governor signed into law, four bills with implications for land use planning, zoning, and housing policy in Westminster. Staff has begun assessing these bills including potential impacts to Staff capacity; water, sewer, and other infrastructure capacity; and potential changes to related work currently underway. Further analysis is needed, and guidelines from the state's Department of Local Affairs (DOLA) that will assist this analysis are in development. However, Staff believes it is important to share this information with City Council in advance of the CML conference where related discussion is likely to occur. Staff also believe it is important to provide City Council a generalized timeline for the steps ahead and potential options for implementation.

The four bills include the following:

- HB24-1152 allows ADUs anywhere single-family detached residences are allowed.
- HB24-1304 provides exemptions from minimum parking requirements in certain types of residential applications adjacent to transit facilities.
- HB24-1313 establishes HOGs and requires up-zoning of properties to meet the HOG as well as the creation of administrative approval procedures and affordability and displacement mitigation strategies in defined transit areas or corridors.
- SB24-174 prescribes contents and methodologies for Housing Needs Assessments, the Comprehensive Plan and Water Supply Plan.

Staff reviewed previous drafts of these bills earlier this year as part of briefings for City Council to form positions on these bills. Through the subsequent legislative process, primarily during the closing days of session, various amendments were added to modify the bills from their original versions.

Related to this work is the UDC, which was previously presented to City Council on December 11, 2023. The future UDC is the logical place for new or revised zoning requirements and development standards and will need to reflect the new statutory requirements. Key concepts from the 2040 Comprehensive Plan that inform the UDC are the need to support infill and redevelopment, adaptive reuse, missing middle housing, ADUs, and flexibility in administration of site requirements, such as with parking. Staff is re-scoping the work to ensure the impacts of the bills can be incorporated and will present potential expansions to the UDC scope in a future City Council briefing.

There are several actions needed to come into compliance with all four bills, and like topics will be grouped together for purposes of analysis. For example, multiple bills may require updating the Comprehensive Plan, but the technical work could be coordinated to ensure both efficiency for Staff and transparency to residents. A generalized overview of the bills, related City plans or assessments, and deadlines is shown below:

Bill	Subject	City Plans/Assessments	Deadline
HB24-1152	ADUs	Westminster Municipal Code (W.M.C)	June 30, 2025
HB24-1304	Minimum Parking	W.M.C.	June 30, 2025
HB24-1313	Transit Oriented Communities (TOC)	City Assessment Report - locations	June 30, 2025
		HOG report – strategies	December 31, 2026
		Comprehensive Plan – change land uses and densities to meet HOG	December 31, 2026
		W.M.C. – zoning text	December 31, 2026
		Zoning Map	December 31, 2026
		HOG report	Every 3 years after 2026
SB24-174	Sustainable Affordable Housing	Map areas for up-zoning	January 1, 2025
		Comprehensive Plan - water conservation element	June 30, 2025
		Housing Needs Assessment	December 31, 2026
		Comprehensive Plan - Strategic Growth Element, natural lands and agricultural opportunities reports, analysis of vacant	December 31, 2026

		and underutilized land, fiscal impact assessment	
		Water Supply Plan	December 31, 2026
		Housing Action Plan	January 1, 2028
		Progress reports	Every 3 years after 2028
		Housing Needs Assessment	Every 6 years after 2028
		Housing Action Plan	Every 6 years after 2028

Potential Impacts to Staffing, Work Plans, Water Resources, and Provision of City Services

Fully meeting the provisions and timing of the bills will have staffing and work plan impacts through 2027 followed by a level of ongoing commitment after that to administer affordability strategies and meet reporting requirements relative to zoning, housing, parking, and water supply. These impacts are anticipated primarily for Community Services staff across all divisions, as well as impacts to Public Works and Utilities, including water resources, engineering, and geographic information system (GIS). Depending on the amount of additional housing constructed, there may be second and third order impacts to municipal services such as streets, public safety, PRL, and others. Carrying out the tasks to fully comply with HB24-1313 and SB24-174 may also impact other current work assignments and timing of related elements of Strategic Plan implementation.

HB24-1152:

The bill with the easiest implementation is HB24-1152 regarding ADUs. The bill will require the City to allow ADUs anywhere single-family detached housing is allowed, and it supersedes any restrictions on ADUs within Planned Unit Developments (PUDs) and homeowner association covenants. The bill is prescriptive regarding site planning for ADUs, with limitations on the imposition of sizing or additional off-street parking. With state preemption on the ability to craft standards unique to Westminster, it is no longer necessary to formulate an approach for ADUs within the larger UDC project. Therefore, Staff recommends developing a standalone Ordinance to be brought forward to City Council later this summer.

HB24-1304:

The Minimum Parking Bill, HB24-1304, was amended through the legislative process and scaled back to apply only to applications for residential development and mixed-use and adaptive reuse projects with residential components in transit areas. Unfortunately, the defined transit area within HB24-1304 is substantially different than the transit areas described in HB24-1313. Therefore, there is a lack of alignment between the bills relative to exceptions from minimum parking and the locations of added housing density. DOLA will create an official map of the transit areas by September 30, 2024, which should provide clarity on this matter. Given the need to wait for this map, Staff proposes to include updates related to the Minimum Parking Bill within the scope of the UDC project, which already included the identification of refinements to the City's parking requirements.

HB24-1313:

HB24-1313 has greater potential implications than HB24-1152 and HB24-1304. This bill requires calculation of a HOG and up-zoning properties to create the necessary zoning capacity to meet or exceed the HOG. The bill does not actually require the housing to be built to fully meet the HOG

calculation. The HOG is a purely mathematical calculation to determine zoning capacity, with a minimum of 15 units per net acre and a maximum of 500 units per net acre. Existing housing units and zoning designations do not reduce the HOG calculation. Amendments by the legislature added a requirement for the City to submit to DOLA a compliance report describing affordability and displacement mitigation strategies every three years.

The specific HOG calculation for Westminster is the greatest unknown factor currently. The bill establishes a formula for calculating the acreage one-half mile from transit stations and one-quarter mile from bus rapid transit (BRT) corridors, which for Westminster includes both the US 36 corridor and the planned Federal Boulevard BRT, as shown in Attachment 2. The applicable HOG acreage is then multiplied by 40 units per acre to result in the required number of units to reach the HOG. The bill requires DOLA to create an official map showing transit areas used to calculate the HOG area by September 30, 2024. Absent this official map, Staff has informally analyzed the transit stations and corridors as defined in the bill and determined potentially 3,178 acres would be within the HOG areas when multiplied by 40 units per acre which results in 127,120 units. The bill, however, establishes some exemptions from the areas to calculate the HOG such as open space and floodplains. Using these defined exemptions, as Staff interprets the bill, the acreage that will need to be dedicated to achieving the HOG is reduced to 2,265.13 acres, when multiplied by 40 units per acre which results in 90,605 units.

The required HOG for Westminster is likely to be greater than surrounding communities due to the presence of four transit stations and the presence of two BRT corridors through the city. Staff is initiating conversations with peer communities to understand how they might approach implementation of HB24-1313.

The uncertainty about the applicable exemptions in HB24-1313 will require further coordination upon receipt of the official map from the state; however, whether the HOG is closer to 90,605 units or 127,120 units, additional analysis will be necessary for Staff to articulate the range of potential impacts to the City. Historically, Westminster has correlated its land use planning with water resources and the size and placement of infrastructure required to serve development. For example, with Downtown Westminster and Westminster Station, significant investments were made in drainage, parks, streets, water, and wastewater facilities, which were built to accommodate the higher densities within these two Specific Plan areas. A water supply budget was also established for each Specific Plan area. Decoupling land use planning from resources and infrastructure through up-zoning around transit stations without confidence that infrastructure and resources are in place, or that they will be available in the future, is a significant departure from past planning policy. As Staff refines its analysis of the cumulative effects of all four bills, a recommendation will be formed for future City Council consideration that provides a balance of these considerations.

SB24-174:

SB24-174 was unofficially described by some legislators as the alternative to HB24-1313. However, both bills passed, and while similar in intentions and establishment of deadlines for compliance, the mechanics of the two bills vary greatly. As amended, SB24-174 requires different methods and technical work to be completed than those required for HB24-1313. Further guidance from DOLA is to be published by the end of the year. However, in the initial scan of SB24-174, Staff has identified updates that will need to be made to the Comprehensive Plan and Water Supply Plan to come into compliance with the state-prescribed methods, as well as conducting a new Housing Needs

Assessment to conform to the prescribed methods or opting-in with a potential future regional housing needs assessment. A Housing Action Plan is a further requirement of SB24-174 as well as requirements for the Housing Needs Assessment and Housing Action Plan to be updated every six years and submitted to DOLA for approval.

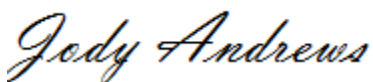
Next Steps:

This presentation will introduce tasks necessary to come into compliance with all four bills. Staff will need to fully assess potential impacts and the pathways to compliance. As the information provided herein is the result of an initial scan of the requirements of the four bills and absent the benefit of official guidelines from DOLA, without a deeper assessment of Staff and resource impacts, a multi-stepped approach is recommended:

1. Prioritize the legislative analysis of the four bills, including assessing the extent to which work on the UDC may need to be expanded, and postpone at this time the UDC presentation previously planned for the July 15 Study Session.
2. Bring forward a standalone ADU Ordinance for City Council consideration, tentatively in August, since the prescriptive nature of the bill makes coordination with the UDC unnecessary.
3. Return to City Council later in 2024, after the state has published the official maps for both HB24-1304 and HB24-1313, to refine and/or confirm the applicable geographic areas to comply with both bills, further brief City Council on anticipated resource impacts and modifications to the UDC scope of work, and introduce areas identified for up-zoning after January 1, 2025, in accordance with SB24-174.
4. Return to City Council in the spring of 2025 to assess whether legislative updates and/or new bills are included in the next legislative session that further impact this work, identify how to implement the guidance provided by DOLA that is anticipated by end of February 2025, introduce revised parking requirements in accordance with HB24-1304, and identify Comprehensive Plan and Water Supply Plan updates required by SB24-174.

The City's Strategic Plan priority of Access to Opportunity is met by receiving this presentation on recent state legislation supportive of housing choices and increased mobility options through proximity to current and future transit services.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jody Andrews". The signature is written in a cursive, flowing style.

Jody L. Andrews
Acting City Manager

Attachments:

Attachment 1: Generalized Bill Summary

Attachment 2: Potential HOG Calculation Map

Attachment 3: HB24-1152

Attachment 4: HB24-1304

Attachment 5: HB24-1313

Attachment 6: SB24-174

Presentation of Recently Approved State Planning Legislation