



## STAFF MEMO

**DATE OF CITY COUNCIL MEETING: JANUARY 11, 2021 / AGENDA ITEM NO. 13**

To: Mayor and City Council

From: Travis Parker, Director of Planning – 303-987-7908

Subject: **RESOLUTION ESTABLISHING RESIDENTIAL DWELLING UNIT ALLOCATIONS FOR 2021 AND ASSIGNING SUCH ALLOCATIONS TO POOLS PURSUANT TO THE RESIDENTIAL GROWTH LIMITATION ORDINANCE (MUNICIPAL CODE CHAPTER 14.27)**

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### **SUMMARY STATEMENT:**

Chapter 14.27 – *Residential Growth Limitation* of the Municipal Code requires that allocations available for issuance and use during each calendar year be established and that such allocations be assigned to pools. Both actions are required to occur by resolution of the City Council each January. This resolution includes both actions and City Council’s approval is requested.

### **BACKGROUND INFORMATION:**

In July 2019 the voters adopted the *Residential Growth Limitation* ordinance. The ordinance contains a formula to determine the number of residential allocations equivalent to 1% growth in the number of dwelling units for the coming year. The ordinance also gives the City Council discretion to reduce that number if desired and to distribute the allocations available among various pools.

The *Residential Growth Limitation* includes a provision for certain projects to proceed without allocations pursuant to Section 14.27.160 *Authority to Continue*. In Resolution 2020-8, City Council expressed its intent to reduce allocations over three years (2020, 2021 and 2022) to prevent the dwelling units that do not require allocations pursuant to *Authority to Continue* from causing total growth to exceed 1%.

At the time of Resolution 2020-8, the number of potential units to which *Authority to Continue* applied was 840. That number has since been reduced by 105 units that did not meet the building permit issuance deadline within the *Authority to Continue* provision. The number has been increased 202 units by City Council’s approval related to White Fence Farm. The resulting total units eligible to proceed without allocations pursuant to the *Authority to Continue* provision is 937 (840 – 105 + 202 = 937).

The maximum number of allocations City Council could have authorized for 2020 was 693. Of those, 184 were actually utilized (105 built and 79 banked). This resulted in 509 fewer units in 2020 than the 1% growth rate would have allowed ( $693 - 184 = 509$ ).

To prevent the 1% growth rate from being exceeded due to the dwelling units that may proceed under *Authority to Continue*, 428 *Authority to Continue* units remain to be accounted for ( $937 - 509 = 428$ ). Dividing that number between 2021 and 2022 suggests a reduction in 2021 of available allocations of 214 ( $428 \div 2 = 214$ ).

Based on the growth formula in 14.27.050.B and C, the maximum number of allocations the City Council could authorize for 2021 is 701. Reducing that number to account for *Authority to Continue* units as discussed above would result in 2021 allocations being 480 ( $701 - 214 = 487$ ).

In November, City Council approved an agreement to allow vested projects to continue without having to compete for allocations in the normal process. The City has received notification from Brookfield of intent to build 63 new housing units in a project with vested rights. Instead of lowering the overall allocations, staff recommends reserving these 63 allocations in the hardship pool to be used for the project.

**STAFF RECOMMENDATION:**

Staff has received applications for 98 open pool 2021 allocations to date. Of 480 allocations, staff recommends assigning 250 allocations to the open pool, 174 allocations to the affordable pool, and 63 allocations to the hardship pool for the use of Brookfield Residential.

**BUDGETARY IMPACTS:**

No budgetary impacts are anticipated from this resolution.

**PUBLIC OUTREACH:**

The normal communication channels have been used to provide notice for the meeting during which this resolution will be considered.

**NEXT STEPS:**

Implementation of the resolution if it is approved by City Council.

**ATTACHMENTS:** Resolution 2021-6

**REVIEWED BY:** Kathleen E. Hodgson, City Manager  
Benjamin B. Goldstein, Deputy City Manager  
Gregory D. Graham, Deputy City Attorney