

AGENDA
STUDY SESSION MEETING OF THE CITY COUNCIL
480 S. ALLISON PARKWAY
CITY OF LAKEWOOD, COLORADO
VIRTUAL MEETING
MAY 20, 2024
7:00 PM

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- ITEM 1 – CALL TO ORDER**
- ITEM 2 – ROLL CALL**
- ITEM 3 – PRESENTATION – BUDGET AND AUDIT BOARD UPDATE**
- ITEM 4 – PRESENTATION – HOUSING POLICY COMMISSION UPDATE**
- ITEM 5 – COMMITTEE REPORTS**
- ITEM 6 – ADJOURNMENT**

STAFF MEMO

DATE OF MEETING: MAY 20, 2024 / AGENDA ITEM NO. 3

To: Mayor and City Council
From: Holly Bjorklund, Chief Financial Officer
Subject: **BUDGET AND AUDIT BOARD UPDATE**

SUMMARY STATEMENT: Staff will present an overview of current City of Lakewood Financials in a joint session of Lakewood City Council and City of Lakewood Budget and Audit Board. Magellan Strategies, a public opinion survey research firm, will present the results from the “What Do You Want for Lakewood?” community engagement survey. These items are informational only and require no specific action by City Council.

BACKGROUND INFORMATION: In 2022, City of Lakewood long term financial challenges were shared with the Budget & Audit board. Since then, the Budget & Audit board has spent multiple meetings understanding the financial situation beyond next year’s budget and discussing solutions. An outcome to these discussions is the Budget and Audit Board recommending hiring a public opinion survey research firm to get community feedback on city services, programs, and potential ballot measures. Magellan Strategies was hired and conducted surveys from April 11th – 28th, 2024. Magellan Strategies will share the results during this study session.

BUDGETARY IMPACTS: There are no budgetary impacts associated with this presentation.

STAFF RECOMMENDATIONS: The presentation is informational only, not for providing recommendations from staff.

ALTERNATIVES: N/A

PUBLIC OUTREACH: This item has been promoted through regular communication channels to be considered by the Lakewood City Council. The “What Do You Want for Lakewood?” community engagement survey had over 32,800 touchpoints on various platforms and included outreach in English and Spanish.

NEXT STEPS: To receive feedback from City Council and the Budget and Audit Board regarding the community survey.

ATTACHMENTS: None

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Alison McKenney Brown, City Attorney

STAFF MEMO

DATE OF MEETING: MAY 20, 2024 / AGENDA ITEM NO. 4

To: Mayor and City Council

From: Councilor Mayott-Guererro, Chair of the Housing Policy Commission

Subject: **HOUSING POLICY COMMISSION UPDATE**

SUMMARY STATEMENT: The Housing Policy Commission (HPC) has spent early 2024 working towards consensus on recommendations for priority policy ideas based on the strategies studied in the recently adopted Strategic Housing Plan. The intent of this memo is to assist the full Council in creating a shared understanding of affordable housing progress, process, and priorities. The ongoing national housing crisis is a complex and changeable issue which will require continued problem-solving.

This memo is not meant to fully encompass all necessary or possible work on housing, or even all the work on housing that might happen in 2024. This is a summary of current top priorities to focus on as the Commission continues to investigate what is possible, feasible, and effective. In order to facilitate discussion, we have broken our top priorities into several categories that recommend not only the policy direction, but also the possible next steps.

Priorities in progress

These are topics that have been brought to the attention of the City, staff, or the Council which are actively being worked on and may or may not require additional action by the City Council. It is important to recognize the positive changes that have occurred and to support continued improvements on these topics.

- Improving efficiency and timing of all residential permitting
 - This is currently evaluated as primarily a staffing issue, and planning has been working towards filling all empty positions.
- Expediting affordable housing permits
 - We are participating in the state programs that were set forward in Ballot Measure #123 in 2022, which require 475 new affordable units by December 31, 2026, and also for new affordable housing projects to be approved within 90 days.

To be considered by City Council

These are topics that are either already in progress, or are simple enough concepts to schedule with the City Council for discussion or potential legislation.

- Temporary, portable shelters: In order to allow for the City or privately run pallet shelter-type projects, we need to update the building code. This should be drafted by staff and brought to the full Council for first reading as soon as possible.
- Reducing minimum lot size: This is a concept that was presented by the Planning Commission to the full Council with clear guidance, research, and plan.

HPC Priorities

These are areas that are important and innovative, and require more extensive research, stake-holding, and community input for the best results. There are multiple ways to approach these issues, and the HPC should carefully hone our expertise in order to provide well-informed policy recommendations to City Council where discussion and community input will continue through the legislative process. Both expert and community input will be needed on the topics below:

- Affordable housing fund
 - This will take both an understanding of how to structure this fund, how to fund it, and to ensure it supports priorities and fits in with budget priorities.
- Inclusionary zoning
 - There are many ways to structure this, and there are growing examples across Colorado and the front range.
- Linkage fees
 - These are fees structured based on many potential impacts of growth, that could be used to fund affordable housing or potentially other priorities.
- Eviction Prevention/Renter's Rights
 - Keeping people housed is an important way to reduce homelessness.
- Land Banking
 - This is a concept that works in many different ways, and there are local examples.
- Parking minimum
 - Reducing parking minimums greatly reduces the cost to build per unit, but having enough parking is also critical for the growth of the city.

BACKGROUND INFORMATION: The Housing Policy Commission was formed by the Council in 2019, pursuant to Chapter 2.57 LMC, for the purpose of developing and recommending housing-related policies to the City Council for discussion and possible action. The 2024 Commission members were appointed on January 8, 2024. In past years, the Commission has looked at the full strategic housing plan, discussed our own understanding and lessons learned related to housing, what we have heard from the community, and other considerations to develop the priority list below:

- In 2024, the HPC Commissioners met on February 29th, March 25, and April 25th;
- The HPC elected Councilor Sophia Mayott-Guerrero as the Chair of the Commission at their February 29th meeting;
- The City Council approved the Strategic Housing Plan on February 12th, 2024;
- HPC Commissioners brought forth more than 33 ideas in their March 25th meeting (see Appendix B);
- By consensus, HPC Commissioners selected 11 ideas for further consideration (see Appendix A);
- By consensus, HPC Commissioners selected 7 ideas from the 11 to be priorities at their March 25th meeting; and
- At their April 25th meeting, the HPC reviewed several housing topics, including inclusionary zoning, temporary sleeping units and the land use review process. The HPC also approved sending a memo to the City Council with their top seven priorities.

BUDGETARY IMPACTS: None at this time.

STAFF RECOMMENDATIONS: None at this time.

ALTERNATIVES: N/A

PUBLIC OUTREACH: This item has been promoted through the regular communication channels to be considered by the Lakewood City Council.

NEXT STEPS: The City Council can expect to receive the recommendations from the HPC that are ready to be considered by the full Council, as well as the potential future topics identified in the memo that could eventually be considered by City Council.

ATTACHMENTS:

1. Appendix A
2. Appendix B

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Alison McKenney Brown, City Attorney

APPENDIX A

Elements Prioritized by Housing Policy Commissioners for Possible Future Focus

Made the list of priorities:

Affordable Housing Fund
Fast Tracking Permitting
Fast Tracking Permitting for Affordable Housing
Inclusionary Zoning
Land Banking/Community Trusts
Minimum Lot
Pallet Homes – Relocatable Structures

Strongly considered, but did not make the list of priorities at this time:

Eviction Prevention
Natural Occurring
Parking Minimums
Permanent Supportive Housing

APPENDIX B

Elements Submitted by Housing Policy Commissioners for Possible Future Focus

Housing Ideas From Roger Low:

- In particular, prioritize the creation of an affordable housing fund, and coordinate with planning/budgeting/city staff on best way to create it and define its purposes and eligible uses via ordinance.
- Look in particular at revenue sources for a new affordable housing fund. Look in particular at:
 - A vacancy fee for large multi-family apartment complexes, assessed on vacancy (potentially modeled in part on [Vancouver's](#) - review more [here](#))
 - Getting more revenue into the fund via an inclusionary zoning policy with a fee-in-lieu component
 - Potentially amending the ordinance 14.16 Park and Open Space Dedication fee-in-lieu as an incentive/carrot/stick to increase affordable housing stock (increase fee in lieu for unaffordable units, waive it entirely for affordable units)
 - Assessing a fee on any landlord above a certain size that uses rent-setting price-fixing software (e.g. RealPage)
 - A portion of Lakewood's Proposition 123 allocation
 - Look further into feasibility of HUD Section 108 Loan Guarantee Program, leveraging CDBG dollars)
 - Other options to fund (TABOR fund, city reserve, general fund, philanthropic dollars, other federal funding)
- Pursue next steps with city staff on researching a workable inclusionary zoning policy
- A [Direct Rental Assistance Demonstration](#) from Housing Choice Voucher (HCV) program - Lakewood as potential pilot site?
- Also pursue additional safeguards on large multi-family developments within a certain radius of Lakewood parks above a certain size (i.e. the type of policy that might have provided some protections for 777 Yarrow if in place several years previously, and might still have some relevance for another potential future project adjacent to 777 Yarrow)
- Explore with city staff how to more proactively partner with other NGOs on getting effective rental assistance and legal assistance to Lakewood residents at risk of eviction in a timely manner
- Request/commission a plan/framework and "key next steps" document from Lakewood city staff on long-term permanent supportive housing (PSH) in Lakewood specifically aimed at unhoused residents, building on homeless navigation center
- Map out a plan to include resources for eviction prevention and PSH in the coming budget cycle

From Wendi Strom:

2A – Fast track permitting for affordable housing

2B – Small lot zoning

3A – Senior housing options

4A, C, D – Resident Stability, Mobile Home Parks and Resources

From Jacob Labure:

Affordable Housing:

- 1) Request staff ensure adequate and/or increased staff capacity to manage affordable housing projects.
- 2) Establish Housing Fund
 - a) Develop down payment assistance program(s)
 - b) Create an incentive program to help pay for water tap fee for ADU's
- 3) Request staff input on hiring 3rd party permitting to help expedite permitting
 - a) Or request and/or hear about strategies to speed up permitting.
- 4) Explicitly examine how CDBG funds are being used and consider directing them towards Office building to Residential conversion. <https://www.jdsupra.com/legalnews/federal-grants-for-office-to-8484377/>
- 5) Create a fast track review program for projects with affordable housing components.
- 6) Modify the zoning ordinance and municipal code to create stronger incentives.
- 7) Resolution directing staff to identify: vacant, underutilized, or undeveloped locations within the city where it may be appropriate to legislatively map a new zone district with no minimum lot size for single-family homes.
- 8) The comprehensive plan effort should further consider locations within the city suitable for zoning that would force Attached Housing, commonly referred to as townhomes, where this housing type is otherwise not currently permitted.

From Sophia Mayott-Guerrero:

1. Pallet shelter or other fast temporary transitional housing village
2. Fast track affordable housing permits, or any multi-family with more than 50% under 80% AMI
3. Set up renter's fund and mortgage to keep people housed and prevent foreclosure.
4. Inclusionary zoning – this is probably something for the HPC to begin big research, outreach, etc.
5. Keep the 'naturally occurring' housing supply and identify programs to encourage maintenance of older housing stock (both single and multi-family) and preventing scraping functional properties of single-family homes and smaller older multi-family rentals
6. Improve collaboration between West Metro Housing, Jeffco and City of Lakewood, potentially with increased city staff or budget, to fill gaps, increase subsidized housing projects, and improve long term affordable housing supply.

From David Rein:

1. Adopt policies and procedures that give priority of processing and a reduction in processing fees to those projects that agree to provide a certain percentage of affordable housing;

2. Require metro districts to provide a certain percentage of affordable housing and/or green certification; may need a development agreement to hold the metro district to the promise;
3. Partner with land banking organizations to build more home ownership opportunities, i.e. Littleton
4. Hire a consultant to identify the best mechanisms to fund a housing fund to assist in the development of home ownership opportunities;
5. Partner with the VA and HUD to develop an initial affordable housing plan targeted at veterans; use the framework to scale up

From Glenda Sinks:

1. Make it possible for low-income families to be able to live in market-rate apartments using the following strategies:
 - A. Create inclusionary zoning within multi-story apartment buildings.
 - B. Create a fund which “maximizes rent voucher utilization and acceptance”

(Strategy #4A in Strategic Housing Plan)

2. As recommended by the Planning Commission & as found in the 3/18 Study Session materials:

From the materials—Work to identify locations where lot sizes can be reduced (C), where townhomes can be built (D), & where residential zone districts can be reduced (E).