

## MEMORANDUM

**Date:** April 14, 2025

**To:** Arvada City Council

**From:** Housing Advisory Committee

**Subject:** Arvada Housing Strategic Plan Implementation: Strategy #7

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In May of 2024 the City of Arvada approved the Arvada Housing Strategic Plan (the Plan) which identified nine (9) housing strategies tailored to meet the identified housing needs from the 2024 Housing Needs Assessment (HNA). The Plan was co-written by the City's Housing Division, an independent third-party consultant, and the City's resident Housing Advisory Committee (HAC). Strategy #7 of the Plan directly pertained to the alteration of the City's Land Use Development Code (LDC) to encourage the production of affordable housing (defined as income-restricted housing for low-to moderate-income households), workforce housing (with an income-targeted component), and attainable market-rate housing.

This strategy recommends deliberate updates to the City's LDC specifically aimed to make the production of housing less burdensome and expensive. The intended goal is to incentivize developers to build housing that fulfills the identified housing needs from the 2024 HNA. Crafting an LDC to encourage production is also a way that the City work to fill this gap in its inventory without expending any cash resources.

The HAC is of the opinion that the changes detailed below will aid the City in its efforts to work towards a more equitable housing market that serves all of its residents; both present and future.

Some of the implementation strategies recommended by the Plan are as follows:

Strategy #7: Incorporate additional incentives for affordable (income-restricted) developments:

- Consider deeper parking reductions for affordable multi-family and add parking reduction for affordable townhomes.

High unit-to-parking space ratios add to the expense of housing production without increasing the project's projected revenue. For multi-family housing, a high parking ratio may present the additional challenge of spatial constraints, forcing the developer to reduce the total number of units in the proposed development. This lowers the amount of private debt a developer can raise for construction. Higher construction costs coupled with lower potential debt may render a project financially infeasible. Affordable and workforce housing, which often needs to be built as multi-family housing for financial feasibility, can be disproportionately impacted by these requirements.

The Planning and Housing Divisions have already seen this occur in Arvada. There is currently a workforce housing project under preliminary review with the Planning Division that is only feasible under a reduced parking requirement. The developer has owned this land for several years but has allowed it to sit vacant due to Arvada's high parking ratio. The proposed project will be 45-50 workforce housing units with some parking provided at a reduced ratio.

To encourage additional housing production, the HAC supports the elimination of the onerous parking requirements on new multi-family construction projects, particularly in locations where there are other viable transit options available. *[HAC DISCUSSION POINT: Should the HAC recommend removal of parking restrictions on all multi-family, Affordable and WorkForce multi-only, all Transit-Oriented Community (TOC) multi-family, or affordable and workforce TOC]* The HAC is confident the developer of a multi-family project will be able to determine a parking ratio that does not inhibit construction but also produces a development that is competitive enough to attract occupants.

- Consider design incentives/alternatives that reduce the impact of balcony and covered parking requirements:

These are aesthetic design decisions that could reduce development cost without sacrificing safety, quality, or functionality.

The HAC supports eliminating covered parking requirements for affordable projects and a reduction to 25 percent for workforce housing. Additionally, the HAC supports alternatives to or eliminating traditional parking ratio requirements for the aforementioned reasons.

- Consider density bonuses for both multi-family and single-family affordable projects:

The Plan seeks to increase housing in general and provide affordability to as many of Arvada's residents as possible, whether through income-restricting or merely increasing supply.

The City already has a supportive program for Accessory Dwelling Units (ADUs), which has helped increase housing on land that is zoned for single-family housing without needing to re-zone. The HAC recommends enhancing the City's administrative support for ADUs. The City could do this by removing parking mandates, allowing for more flexibility in design standards, reducing set-back requirements, and prohibiting an HOA from restricting ADU production.

The HAC also supports eliminating owner-occupancy requirements and notes that ADUs are the only type of residential unit subject to this particular restriction. As the single-family home will still be the dominant structure on the property, the HAC feels this should not greatly impact the character of the neighborhood.

Adopting these changes could have additional positive impacts for residents seeking to build an ADU, particularly around financing. Changes to the City's code could ensure eligibility for state grants meant to help private citizens build ADUs. The removal of owner-occupancy requirements could also help Arvada's residents secure bank loans. This will give residents who are not in the financial position to entirely self-fund the opportunity to build an ADU, as opposed to inadvertently making such an endeavor too expensive for many to pursue. Finally, building an ADU and generating rental income may offer a creative solution to help families mitigate the challenges presented by rising costs of living in the Denver Metro Area.

*[HAC DISCUSSION: Should the HAC include commentary on the intersection between short-term-rentals and ADUs? If ADU possibilities were expanded, additional code changes around ADUs might be needed to encourage long-term leases]*

Another strategy to densify single-family land would be to allow more unrelated persons to occupy the same unit, so long as the number of occupants did not exceed health and safety standards. While this is not a structural densification, it does increase the housing supply in that small (one- and two -person) households will be able to find housing without the City needing to build it. The HAC believes this change would allow for and encourage “roommate” arrangements, which would also make housing more affordable for the occupants.

In addition to the implementation strategies detailed above, the Plan also recommends:

- Create “fast-track” process for affordable
- Update the “affordable” definition in in the LDC to include affordable for-sale
- Consider administrative approval of affordable residential in mixed use zones (subject to ground-floor commercial space)

The HAC hopes to present Council with feedback on these implementation strategies at a later date.

The Housing Advisory Committee thanks Council for their consideration on this matter and their ongoing efforts to make the City of Arvada a better place for all its residents.

Signed,

Patrick Noonan, Chair  
Mindy Mohr, Vice Chair  
Shawna Ambrose, City Council Liaison  
Paul Bunyard  
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