



Staff Report

TO: Honorable Mayor Piko and Members of City Council

THROUGH: Matt Sturgeon, City Manager
Elisha Thomas, Deputy City Manager
Neil Marciniak, Interim Director, Community & Economic Development
Jenny Houlne, Deputy Community Development Director
Jill Hassman, Senior Assistant City Attorney

FROM: David King, Development Services Specialist

MEETING DATE: August 1, 2022

SUBJECT: ORDINANCE NO. 2022-O-20, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO AMENDING CHAPTER 12 OF THE MUNICIPAL CODE (LAND DEVELOPMENT CODE) TO ADOPT THE DOVE VALLEY RESIDENTIAL OVERLAY DISTRICT AND DECLARING AN EMERGENCY

1. Executive Summary:

City Staff is proposing amendments to the Land Development Code (LDC) to ensure a minimum level of housing diversity within new residential developments in the Dove Valley area. The proposed Dove Valley Residential (DVR) Overlay District would apply to any property zoned Urban Residential (RU) within the Dove Valley area. The DVR Overlay District utilizes a tool within the LDC, Traditional Neighborhood Development (TND) that outlines a pathway for a residential development to provide a diversity of housing options. There is no area within the City where the TND currently exists, where it is required, and no mechanism, at this time, by which the City can require a new residential development to implement a TND.

New residential uses within the City are guided through the development standards found in the LDC, Article 3-4 – Residential Neighborhood Development Standards. There are standards for four (4) zone districts detailed in Article 3-4, including Agriculture (AG), Suburban Residential (RS), Auto-Urban Residential (RA), and Urban Residential (RU).

The amendment discussed in this Staff Report focuses on the Dove Valley area, the RU zone district, and the TND standards. The proposed Dove Valley Residential (DVR) Overlay District would require any property zoned RU within the Dove Valley area to implement a TND. Properties zoned RU within the DVR Overlay will produce a development that can cater to a variety of residents through a diversity in housing sizes and types and a mix of lot sizes with cohesive building design and layout.

In addition to amending the LDC to require a TND in RU zoned areas within Dove Valley, City Staff recommends two modifications to the TND standards. The modifications include a change in the number of housing types required based on TND project size and a change to the permitted height of multifamily buildings within a TND. These amendments are aligned with the City's desire

for an increased diversity in housing options and are based on City Staff review and property owner/developer feedback on how many housing types can realistically be developed on a given site.

2. Recommendation:

Staff recommends that the City Council **approve** Ordinance No. 2022-O-20.

3. Background:

The City has been engaged in a housing study to explore housing costs and availability in the City. The study seeks to understand the entire spectrum of housing issues, provide definition to the various housing needs, and identify priorities that can inform future housing policy within the City. While the study is ongoing, a clear consensus has emerged from the community and from City Council that there is a desire for more housing options and a diversity of housing offerings in the City than is presently offered and permitted. Today, approximately 78% of the housing stock in the City is single-family housing. The City and its partners have conducted community outreach throughout the housing study and specifically on housing diversity. Much of the feedback the City has received emphasizes the need for more housing options and an increase in housing types:

- *“Centennial needs more housing options than solely single-family homes. It is environmentally, socially, and financially unsustainable to keep having these sprawling suburban neighborhoods. Most of the available housing in the area is very large single-family homes but there are a lot of people that don’t want to have to maintain that much house or yard. It would be nice to have more options of homes that are in the 1,500-2,000 sq ft range. This could be achieved by infilling existing single-family neighborhoods with duplexes, building smaller house on smaller lots, and by building new complexes of townhomes and condos. And there should be units available to own, not just rental units. Duplexes, townhomes, and condos don’t have to just be the option that people settle for when they can’t afford a single-family home.” (Excerpt)*
- *“If I was to suggest additional housing, it would be for carefully planned communities of high-quality townhomes and/or very small, high-quality, single-family homes all with sustainable landscaping and integrated parks and trails.” (Excerpt)*
- *“I’m an empty nester seeking less square footage and yard responsibilities. It’s single family or apartment living. There’s no creative, quality neighborhood options with a mix of housing types.”*
- *“I would like to see more of multiple of the housing options - duplexes or triplexes, townhouses, and multifamily apartments and condominiums.”*
- *“I live in a single family detached home, but I understand that not everyone can afford a home of this size. It would be really good for younger folks, or older persons looking into downsizing, to have more multifamily apartments and condos AND townhomes.”*

(Via public comments received by the Housing Study team through June 20, 2022 at centennialco.gov/housing)

Centennial NEXT, the City’s Comprehensive Plan, has specific goals for housing diversity within the City. Housing related goals within NEXT include:

- PLACES – 4. Provide opportunities for new housing options that meet market trends and the evolving needs of current and future residents.
 - 4d. Update the Land Development Code (LDC) to ensure new residential development provides a variety of housing sizes, types, densities, styles, and price rangers to meet market demands.

- ECONOMY – 4. Attract and develop an exceptional workforce equipped to adapt to a changing economy.
 - 4a. Investigate housing demand with specific considerations given to identifying housing types

The City has identified a need for a diversity in housing options in land use policy documents including Centennial NEXT and through community outreach in the recent housing study; the logical next question is how can the City cultivate this desired diversity? What types of housing options are already permitted by the LDC?

Generally, the Land Development Code requires new residential projects, including new development and redevelopment, to be located within the following three (3) zone districts:

1. Suburban Residential (RS),
2. Auto-Urban Residential (RA), and
3. Urban Residential (RU).

These zone districts within the redevelopment/new development classification are generally intended to provide for the development of residential districts with multiple housing types and densities, with RS the least dense and RU the densest. The LDC describes these zone districts as providing developments with multiple housing types but there is no requirement for a project to implement multiple housing types.

Section 12-3-403 of the LDC outlines the various housing types that can be selected for redeveloped or newly developed areas while meeting the standards of the applicable zone district. Permitted residential uses in the RU zone district are single-family detached, single-family attached, multifamily, Traditional Neighborhood Development, and Continuing Care Neighborhood. The RU zone district does not require for multiple types to be included on a single project. A developer has the ability to construct a project of only single-family detached, for example, or only multifamily. The only use classification under RU that specifically contemplates a variety of housing types is the TND.

The LDC defines Traditional Neighborhood Development as “development that consists of a variety of residential lot sizes and more than one housing type, along with neighborhood supportive nonresidential development, designed so that its internal streets tend to give equal or greater dignity to the pedestrian compared to the automobile.” The TND standards are contained within Divisions 3-4 and 3-5 of the LDC. Depending on the number of units in a project, the TND standards require a certain number of housing types, regulated by minimum and maximum percentages (Table 12-3-403). Division 3-5 outlines the housing palette permitted in a TND, ranging from single-family detached to townhouses to multifamily buildings. In addition to a diversity of housing types, the TND standards require a variety of lot sizes. The combination of a variety of housing types and lot sizes means that a development implementing a TND will function as a unique neighborhood with diversity in housing options, including type and size. A TND is

required to provide a Pattern Book, as outlined in Sec. 12-14-603, that addresses the design and arrangement of individual buildings or dwellings. The Pattern Book is intended to ensure an attractive and harmonious development by providing a palette of development styles and materials. The Pattern Book is not specific to the TND standards, but the Pattern Book associated with a TND project would include the housing types selected from the housing palette and related design information.

The TND is a permitted use in the RU and RA zone districts but is not required. It is up to the individual developer to determine if their project will follow the TND standards and provide housing diversity. There is no existing mechanism for the City to require housing diversity for a project or to require the implementation of a TND. A property zoned RU has a menu of development options, as noted above, leading to unpredictable outcomes for the City, the community, and the applicant when a property is zoned RU. A project with housing diversity is a possibility but not a guarantee.

In order to improve predictability for both the development community and the City and to generate a minimum level of housing diversity, Staff is proposing the creation of an overlay district within Dove Valley. The DVR Overlay District boundary is included as **Attachment 1** to this staff report. The DVR Overlay District will not be applicable to any residential site plans within the boundary approved by the City prior to August 1, 2022. As discussed above, the TND standards require a mix of housing types, lot sizes, and building design. Properties zoned RU within the DVR Overlay will produce a development that can cater to a variety of housing needs by providing a diversity in housing sizes and types and a mix of lot sizes with cohesive building design and layout.

In addition to the creation of the DVR Overlay, Staff is proposing a modification to the TND standards specific to projects located within the DVR Overlay. The existing standards for number of housing types are found in Table 12-3-403. The proposed amendment exempts TNDs within the DVR Overlay from the standards in Table 12-3-403, instead requiring that a minimum of three (3) housing types be included with a minimum of 20% of any housing type. These changes are applicable only to TNDs within the DVR Overlay. This change is consistent with the desire to cultivate a diversity of housing while maintaining quality in both design and development, and buildability.

The additional modification to the TND standards is applicable only to multifamily buildings. The existing standards in Table 12-3-507 restrict the height of multifamily buildings to 45 feet. The amendment changes the height restriction to 50 feet, in line with other zone districts in the City that permit multifamily. This proposed change is a modification to the existing TND standards in response to market conditions as understood through conversations with the development community and Staff research.

The full text of the proposed amendment is included as a part of **Attachment 2**.

Emergency Declared for Effective Date

In order for the City to meet the requirement to apply initial zoning to the property discussed within Ordinance No. 2022-O-11 within 90 days of the effective date of the annexation, as required by Page 5 of 5 State law, the Ordinance is drafted as an Emergency. The Emergency provision means that the Ordinance once approved on 2nd reading by City Council, becomes effective immediately. The Emergency provision provided Staff additional time to work with the property

owner to determine initial zoning designations. The DVR Overlay District will work in concert with the relevant initial zoning designation and should be in place at the same time.

4. Alternatives:

Council may choose to amend or deny Ordinance No. 2022-O-20.

5. Fiscal Impact:

There is no direct fiscal impact to the City that would result from the proposed amendments to the LDC.

6. Next Steps:

If the City Council decides to approve the proposed DVR Overlay District LDC amendments as presented, the amendments will become effective immediately.

7. Previous Actions:

City Council considered 1st Reading on July 18, 2022. The Planning and Zoning Commission recommended approval of Ordinance No. 2022-O-20 by a vote of 7-0 on July 13, 2022.

8. Suggested Motions:

Suggested Motion for Approval (This is the motion recommended by Staff):

I MOVE TO APPROVE ORDINANCE NO. 2022-O-20, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO AMENDING CHAPTER 12 OF THE MUNICIPAL CODE (LAND DEVELOPMENT CODE) CONCERNING THE DOVE VALLEY RESIDENTIAL OVERLAY DISTRICT AND DECLARING AN EMERGENCY.

Suggested Motion for Denial (This is the motion not recommended by Staff):

I MOVE TO DENY ORDINANCE NO. 2022-O-20, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO AMENDING CHAPTER 12 OF THE MUNICIPAL CODE (LAND DEVELOPMENT CODE) CONCERNING THE DOVE VALLEY RESIDENTIAL OVERLAY DISTRICT AND DECLARING AN EMERGENCY.

9. Attachments:

Attachment 1: Dove Valley Residential Overlay District
Attachment 2: Ordinance No. 2022-O-20