

**Town of Lyons, Colorado
Board of Trustees
BOT Agenda Cover Sheet
Agenda Item No: XI. 4. and 5.
Meeting Date: October 21, 2024**

TO: Mayor Rogin and Members of the Board of Trustees

FROM: Andrew Bowen, Lead Planner

DATE: 10/15/2024

ITEM: Discussion and Direction to Staff and PCDC Regarding Rezoning of Lyons Valley Park Lots
and
Discussion and Direction to Staff and the PCDC Regarding the Use and Rezoning of Vacant Lots on Carter Court

ORDINANCE
MOTION / RESOLUTION
INFORMATION

REQUEST OR ISSUE: Staff requests that the BOT hold a workshop to discuss the Town of Lyons' Housing Goals in more detail. This conversation will be the staff's gauge for setting work parameters and better understanding BOT expectations in this area.

I. PROJECT HISTORY: The community of Lyons has discussed housing affordability needs since as early as the 1985 Comprehensive Plan:

Excerpts from the 1985 Comprehensive Plan

Residential Land Use	
1.	The single family residential character of the existing neighborhoods in Lyons should be preserved.
2.	The town should encourage the provision of medium to higher density housing (multiple family and rental units) in the town in order to provide a diversity of housing opportunities for existing and new residents.
3.	Multiple family housing should be provided but be scaled to the character of the area.
4.	When appropriate, the planned unit development approach should be encouraged to allow for innovative design and planning concepts.
5.	All price ranges of housing should be represented so there is a balance of housing opportunities for low, moderate, and higher income families.
6.	Priority for lower-priced housing should be given to the low income elderly residents of the town.

The revised Comprehensive Plan includes a Land Use Concept Plan that identifies the general location of Land Uses in the community. The predominant type of residential land use is the single family dwelling. In the newer areas it is recommended that mixtures of housing types and densities be encouraged through the planned unit development approach. New development should give special attention to creative site planning and energy conservation techniques.

As for Lyons Thrive, “Affordable” appears 38 times in the Comprehensive Plan in various forms, including Housing Affordability, Affordable Housing, Affordable Services, Affordable to Workers, Affordable Units, etc. “Workforce” appears 13 times in reference to housing and almost always alongside affordable housing/housing affordability.

Of the Six Major Trends provided, the first two directly identify affordable housing and the lack there of, as a key area of concern.

Major Trends and Key Issues

In reviewing the Major Trends and Key Issues, the first two key issues state the following:

“Changing Demographics

The population of residents under the age of 19 has grown considerably since 2010. When combined with a stable and sizable senior community, this creates a need for targeted support services - such as daycares, schools, senior facilities, and healthcare providers. Lyons also saw a decrease in the proportion of low-income residents over the last ten years. The corresponding rise in housing prices and lack of varied housing options will make it difficult for Lyons to attract an economically diverse population in the future.

It may be important to note that any decrease in low-income residents may contribute to a loss of the community’s character. These citizens are neighbors, friends, patrons of the local economy, and employees who often have and continue to be the local economy’s employment base. This concept of maintaining an inclusive housing stock is stated clearly in the Lyons Thrive guiding statement: “*Lyons Thrives when... We protect our quality of life and foster inclusiveness as we celebrate what makes us unique.*”

Loss of Affordability

Lyons’ housing market has become significantly more expensive over the last decade due to the loss of affordable housing during the 2013 flood, the effects of a nationwide housing crisis, limited geography, and the high desirability of the community. Although the events are too recent to be reflected in available data sets, pressure on Lyons’ housing market (and on the market in other mountain communities in Colorado and across the West) has seemingly been exacerbated by the COVID-19 pandemic and a growing prevalence of remote workers seeking a lifestyle change. If this trend continues, it will strain the ability of local businesses to attract workers and become increasingly

challenging for residents on a fixed income to move to or remain in Lyons.

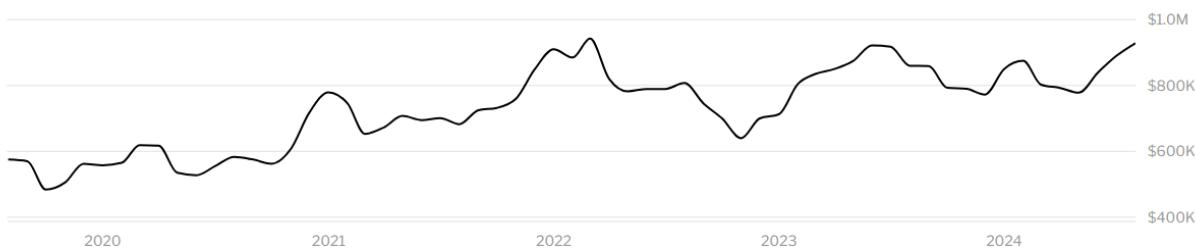
Across all significant US Real Estate Portals, average home prices in Lyons continue to rise at a significant rate. The following were Average Home Prices reported in September 2024:

Realtor: \$877,500

Zillow: \$750,832

Redfin: The median sale price of a home in Lyons was \$865,000 last month, up 11.3% since last year. The median sale price per square foot in Lyons is \$447, up 50.5% since last year.

Redfin Housing Market Chart for Lyons



Based on Redfin calculations of home data from MLS and/or public records.

Loss of housing choice and stability is a local economic issue. As stated, loss of affordability “will strain the ability of local businesses to attract workers and become increasingly challenging for residents on a fixed income to move to or remain in Lyons.”

Defining Parameters for Future Growth

Lyons is recognized and valued for its historic small-town character, scenic views, sensitive natural areas, and easy access to parks, open space, and trails. The desirability of these assets and projected regional growth will continue to draw new residents to the area. However, growth opportunities in Lyons are limited. A mix of “greenfield” development and targeted infill/redevelopment will be required to protect the things that make Lyons special and ensure that growth accomplishes community goals. Future growth parameters are discussed in Chapter 3.

Lyon's growth potential is extremely limited in both developable space and natural hazard conflicts. In response to these characteristics, Lyons Thrive is clear that infill/redevelopment will be integral to assuring the community's sustainability over time.

Hazard Mitigation and Resilience While Lyons has vastly improved its resilience to the effects of future flood events as part of flood recovery efforts, a large-scale flood event would still have severe impacts on the community. Continued focus on flood resilience and watershed restoration will be important to mitigate future losses. In addition, Lyons is at substantial risk of catastrophic wildfire events. With the recent fires in the area and projected climate conditions likely to increase wildfire occurrence, it is important to act now to build community resilience to wildfires.

All planning considerations need to be reviewed through a hazard mitigation and resiliency lens. Infill development aids in mitigating concerns as the Town's fringes can be preserved; however, potential flooding concerns need to be a priority where applicable.

Ability to Leverage Available Resources

As a small town with limited resources, the Lyons community has a long track record of coming together to “get things done” when needed. Lyons’ residents are highly involved in and generous with their commitment of both time and resources. Many residents serve on Town boards and commissions, participate on nonprofit boards, and volunteer for citizen-led projects. Lyons relies heavily on support from these volunteers, nonprofits, and other organizations to help advance community initiatives and provide both essential and non-essential services that the community has come to expect and rely on. Leveraging available resources to ensure these efforts are sustainable over the long term will be essential.

As noted, Lyons leans heavily on local volunteers to guide policy direction and volunteer efforts. Staff suggests that to provide comprehensive dialogue and representation, Town Boards and Commissions must be diverse in backgrounds and socioeconomic characteristics. As trends show, the loss of low-moderately incomred citizens may degrade the community's efforts to maintain diverse Boards and Commissions and volunteer efforts, which may ultimately lead to a loss of diverse opinions and efforts.

Enhancing Local and Regional Connections

Lyons exists within the larger context of the Colorado Front Range, Boulder County, and nearby communities such as Boulder, Longmont, and Estes Park. While Lyons has some control over what happens directly within its municipal boundary, the surrounding economy, growth, and tourism influence local dynamics. This can be most directly felt in the cost of housing and the large volume of traffic passing through Town to visit Estes Park and Rocky Mountain National Park. However, Lyons residents benefit from their proximity to natural amenities, the educational and economic opportunities in the Boulder and Denver Metro Areas, and the shopping and healthcare options located in Longmont. Recognizing the importance of the larger economic and recreational ecosystem and coordinating with government agencies that help regulate it is vital to implementing the long-term vision for Lyons outlined in this plan.”

While Lyons is a unique and special community, it is also tied to a fast-growing and expensive housing market (Denver Metro and Boulder County). These measures have inevitably externally influenced Lyons' housing characteristics. This is why local decisions on housing affordability are so crucial. These pressures may be compounded if the Town cannot maintain its affordability for those currently living and working within the community.

“WHY IT MATTERS” (Guiding Principle 4):

The Denver Regional Council of Governments conducts growth forecasts for the Denver metropolitan area and is projecting that an additional 500 people could reside in Lyons. This would require approximately 180 new housing units.”

Guiding Principles, Goals, & Policies

Lyons Thrives when... We protect our quality of life and foster inclusiveness as we celebrate what makes us unique. We build a thriving, year-round economy. We respect the beauty, complexity, and unpredictability of our natural environment. We manage growth and nurture our small-town character. We provide support for all in an atmosphere

of trust and cooperation.

During the community's historic discussions surrounding housing affordability, a consistent concern has been that by adding housing or prioritizing developing a diverse mix of housing options within and adjacent to established neighborhoods, the community's "small-town" character could be lost. Lyons Thrive states that this characteristic must be "nurtured." Staff fully understands this guiding principle, but notes that the community needs to better define what community character truly means.

Is community character and Lyons' "small-town" characteristic based on its currently built housing environment?

Or is community character and Lyons' "small-town" characteristic based on its people?

Note: Natural spaces and hazard areas are unaffected by this determination, as they must always be preserved.

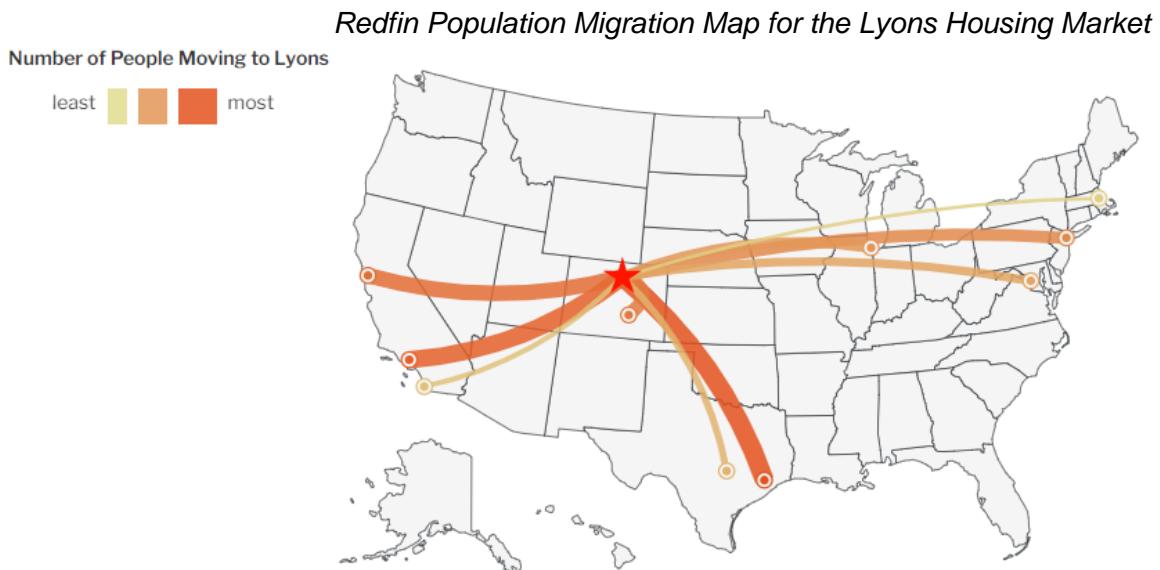
Properly answering this question is vital, as while the protection of these community assets can and should be done in tandem, it is not productive to use these characteristics against each other. To truly state the community's housing goals, staff suggests that one must be slightly prioritized over the other.

Staff has opinions on which should take precedence but seeks direction from the BOT and community at large. Answers to this question will help guide staff in prioritizing housing development within Lyons.

It is also important to track where population gain, and losses are coming from and going to.

Redfin Population In and Out Chart for Lyons

People are moving to Lyons from		Net inflow	People are leaving Lyons for		Net outflow
Inbound	Metros	Jul '24 - Sep '24	Outbound	Metros	Jul '24 - Sep '24
1	Houston, TX	596	1	Breckenridge, CO	592
2	Los Angeles, CA	469	2	Fort Collins, CO	472
3	San Francisco, CA	377	3	Phoenix, AZ	338
4	Pueblo, CO	296	4	Edwards, CO	320
5	New York, NY	279	5	Colorado Springs, CO	316
6	Chicago, IL	183	6	Albuquerque, NM	188
7	Washington, DC	148	7	Tampa, FL	174
8	Austin, TX	83	8	Portland, OR	140
9	San Diego, CA	40	9	Grand Junction, CO	139
10	Boston, MA	32	10	Steamboat Springs, CO	138



Staff Note on Economic Development (*Guiding Principle 2*):

While housing is not expressly mentioned within the Economic Development portion of the Comprehensive Plan, as mentioned, limited housing choice and insecurity make finding and retaining employees in our business, service, and emergency response sectors difficult. If citizens must move out of town or must undergo long commutes to simply come to work, the local economy will be affected.

High commute times are a direct contributor to higher job turnover rates as long commutes also detract from mental health. (National Library of Medicine)

<https://pmc.ncbi.nlm.nih.gov/articles/PMC9819363/#:~:text=Data%20from%20the%20US%20showed,strain%2C%20and%20poorer%20mental%20health> .

Staff Note on Hazard Mitigation (*Guiding Principle 3*):

As mentioned above, all planning considerations need to be reviewed through a hazard mitigation and resiliency lens. Infill development aids in mitigating concerns as the Town's fringes can be preserved; however, potential flooding concerns need to be a priority where applicable. Where annexations and future development are requested, great effort needs to be prioritized to protect sensitive areas.

Staff Note Staff Note on Managing Growth and Nurturing the Community's Small-Town Character (*Guiding Principle 4*):

Staff seek to accomplish this guiding principle in every planning decision. However, this is a difficult task to balance due to the confined growth space, previously adopted plans, and managing diverse community priorities.

Answering the “small-town” characteristic question above, may help staff properly strike this balance.

While development will inevitably be controversial in smaller communities, affordable housing development can be designed to match the scale and intensity of Lyons’ “small-town” character.

“Policy LU-1.2: Infill and redevelopment Encourage targeted infill and redevelopment to maximize the use of existing infrastructure, increase density where appropriate, improve access to services and amenities, and maintain a compact development footprint. Ensure infill and redevelopment is consistent with area-specific policy guidance provided in Chapter 3, and applicable design and development standards.

Policy LU-1.3: Annexation Pursue and/or consider requests for annexation that align with the criteria outlined in Chapter 3, help advance the goals and policies contained in this Comprehensive Plan and comply with all applicable Town ordinances.

Policy LU-2.1: Mix of uses Strive to accommodate a mix of residential, retail/commercial, light industrial, and institutional uses that allow residents and workers to live, work, and conduct more of their daily business in Lyons.

Policy LU-2.3: Housing Support the incremental diversification of housing options available in Lyons through targeted infill and redevelopment in existing areas of the community or through future annexation. (See Goals HN-1, HN-2, and HN-3 for additional guidance on housing and neighborhoods.)

Policy LU-2.4: Fiscal impact analysis Use fiscal impact analyses to evaluate the potential financial implications of new development and annexations to the Town as part of the land use review process. Recognize that some essential uses may not always be fiscally positive.

Policy LU-3.3: Vacant or underutilized properties Support the use of creative strategies to revitalize vacant, blighted, or otherwise underutilized structures and buildings, including, but not limited to adaptive reuse of existing buildings (particularly those that have historic significance); infill of existing surface parking lots; integration of live-work space; and/or public/private partnerships.

The Blue Line, The Town Municipal Code sets the maximum elevation that will be served by water or wastewater at 5,450 ft.

It is clear from this Guiding Principle that housing is and will remain a challenge for the community. Based on the prevalence of “infill and redevelopment” not only in this section but across the Lyons Thrive Comprehensive Plan, leaves staff with the assumption that housing development should be focused within the Town as it exists.

Annexations may be used in the future to help mitigate the community's housing issues but does not seem to be what the community desires. This was at least true at the time of this plan's community engagement and adoption. Infill also allows natural hazards to be avoided while also staying below the Town, regulatory "Blue Line."

It is also important to note that the Town does have a process for building above the "Blue Line"; however, many homes within the town were not approved under this process.

Lastly, it is important to note that when Lyons Thrive was adopted, it was understood that all development within the Town would not be "fiscally positive."

Staff Note Staff Note on Providing Support for All in an Atmosphere of Trust and Cooperation (Guiding Principle 5):

"WHY IT MATTERS" (Guiding Principle 5):

"Lyons' residents value the sense of community that comes with living in a small town—the fact that people know and look out for their neighbors and that the community pulls together when things get tough. Over the last decade, Lyons was devastated by a historic flood, faced a global pandemic, and experienced an exponential rise in housing costs. In response, Lyons' residents volunteered their time to rebuild, support those in need, and find ways to move forward. Despite these efforts, the quality of life provided in Lyons and housing shortages across the Front Range have also increased the cost of housing in Lyons. Many residents have expressed concern that Lyons is becoming less and less accessible to the essential workers and lower-income residents who are a vital part of the community. In addition, Lyons has lost essential services in recent years, such as the pharmacy, doctor's office, and laundromat. Residents have made it clear that attracting these services back to Lyons is a top priority. Local nonprofits have stepped in to help respond to a growing need for mental health and other support services in the community, and they rely heavily on volunteers and donations to carry out their work. It will be important to find ways to create lasting support for the critical services they provide."

Staff suggests that this "Why it Matters" statement is important. The community places great value on a sense of community. This statement concerns the people who make up the community, not the buildings we live and work in.

"Policy HN-1.1: Housing options Support the incremental diversification of housing options available in Lyons through targeted infill and redevelopment or future annexation. Encourage a mix of housing types, tailored to different areas of the community, including but not limited to small homes, accessory dwelling units, townhomes, live/work units, and apartments or condominiums.

Policy HN-1.2: Multi-generational housing Encourage the construction of new homes or developments, as well as the adaptation of existing homes, designed to accommodate changing household types and needs and allow residents the opportunity to age in place and/or with the live-in support of additional family units (cohousing and multi-generational families).

Policy HN-1.3: Accessible housing Encourage the construction of housing that is accessible to seniors, persons with disabilities, or persons with mobility limitations

through the use of universal design and visitability principles in the construction of new housing and the rehabilitation of existing homes

Policy HN-2.1: Regional housing goals Continue to work with the Boulder County Regional Housing Partnership and other partners to increase awareness of affordable housing issues and opportunities to achieve regional targets outlined in the Boulder County Regional Housing Plan.

Policy HN-2.2: Affordable housing Continue to seek opportunities to facilitate the development of permanently affordable housing units that provide options for Lyons' lower-income residents and replace units that were lost during the 2013 flood in accordance with the Town's goal of maintaining approximately twelve percent of the total housing stock within the Town limits for affordable housing.

Policy HN-2.3: Workforce housing Work with the development community, area housing organizations, property owners, landlords, and the community to preserve and expand housing options, including existing mobile home parks, that are affordable to workers earning below average wages in the community.

Policy HN-2.4: Annexation Use annexations as an opportunity to expand Lyons' supply of affordable and workforce housing. Where appropriate, encourage new development to accommodate a variety of housing sizes, household types, tenure types, densities, and prices.

Policy HN-2.5: Public-private partnerships Continue to explore opportunities to partner with private or nonprofit developers on the construction of affordable and workforce housing on Town-owned and privately held land.

Policy HN-2.6: Housing programs and resources Collaborate with Boulder County, the state, and others on programs and projects that assist Lyons residents and workers seeking affordable housing options and facilitate the management and maintenance of existing affordable housing units.

Policy HN-3.1: Retention of existing housing stock Encourage ongoing maintenance and promote reinvestment and improvements in Lyons' Central Neighborhoods for both owner- and renter-occupied units.

Policy HN-3.3: Home repair assistance Explore and invest in programs that help fixed-income and low-income residents reinvest in their homes to improve neighborhood stability, enhance safety, mitigate impacts from natural hazards, increase energy efficiency, and allow older residents to age-in-place.

Policy G-2.1: Volunteer committees and commissions Continue to leverage the expertise and lived experiences of Lyons residents through a mix of long-term and ad-hoc volunteer initiatives, committees, and commissions. Communicate the role of these groups in the implementation of the Comprehensive Plan and provide clear direction regarding Town priorities.

Policy G-3.1: Community engagement Seek diverse perspectives and provide a mix of engagement opportunities and techniques to inform local government decision-making.

Policy G-3.2: Board and commission representation Strive to fill positions on the Town's citizen advisory boards and commissions with people that bring a diversity of interests, perspectives, and backgrounds."

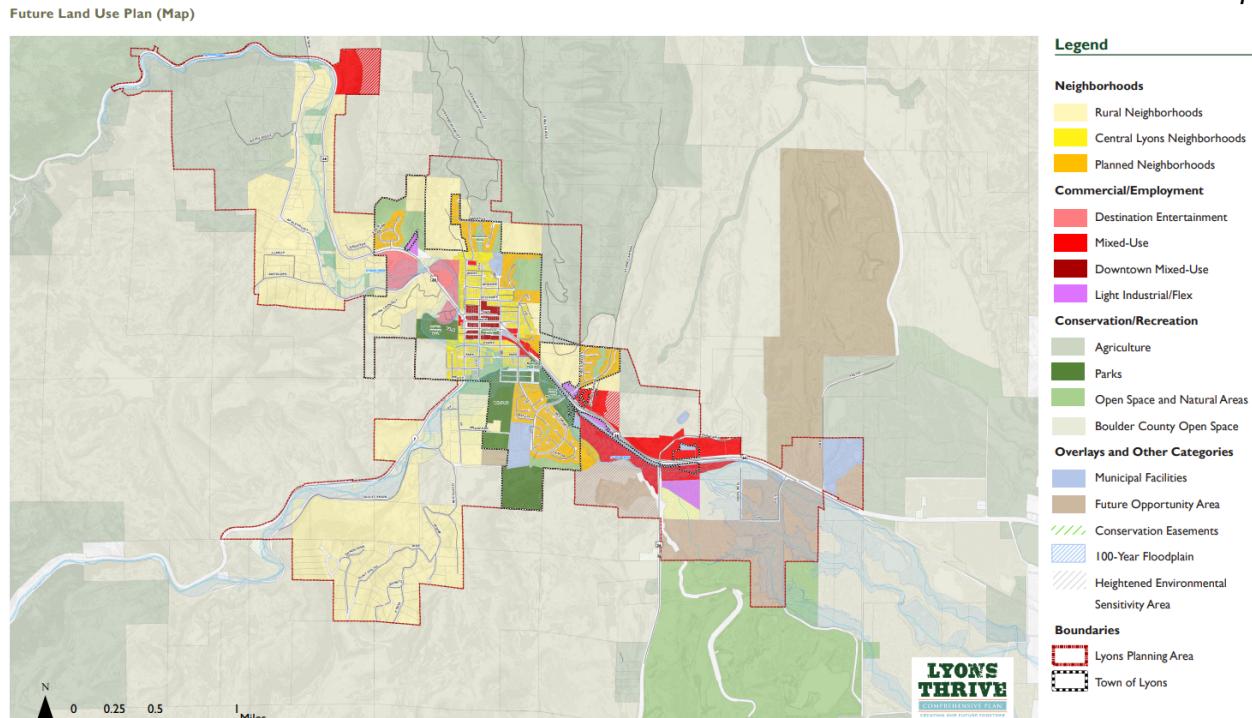
Please see the staff's note on the importance of diversity in the Town's Boards and Commissions and for engagement opportunities.

By the sheer prevalence of housing goals and strategies, staff supports that this topic, in particular, was important to the community during the drafting and adoption of Lyons Thrive

Staff Note Staff Note on The Future Land Use Map (Chapter 3).

Future Land Use Maps and directives evolve and change over time. Town staff and the community must be nimble in balancing all community needs. As has been said multiple times, Lyons Thrive, along with its Future Land Use map, is a "living document" and is subject to change to meet community needs. It is to be used as a tool to guide decision-making, but again, Comprehensive Plans, in general, are flexible, as there are several seeking to balance a wide range of community needs and interests.

The Future Land Use Map



RECOMMENDED ACTION / NEXT STEPS: While long-range studies (The Housing Futures Plan) and (Lyons Thrive) are important, they are often tricky to incorporate into day-to-day land use decisions. This is due to long-term implementation periods and comprehensive approaches.

For these reasons, staff recommends that the BOT consider 'chunking' some of this information and consider using the Town's Proposition 123 commitment for each three-year cycle to set the community's expectations for affordable housing development and board priorities.

Housing is similar to an ultramarathon mentality, where reaching the next aid station helps drive focus and leads to greater success. By doing so, we start with the weeds and end with maintaining the forest.

The Town's Proposition 123 commitment serves as a clear, quantifiable metric for the Town's housing goals and uses a state-wide standard to establish base housing needs.

For example:

"The Town's housing goal for the 2023-26 Proposition 123 commitment cycle is the development of ten (10) affordable/attainable units. These units must have received a building permit by the end of this commitment cycle. The Area Median Income (AMI) benchmarks for these units are as follows:

- Rental Units: 60% AMI
- For sale Units: 100% AMI"

At the start of each commitment cycle, when the Town receives its base housing needs assessment from DOLA, staff recommends that the BOT hold a series of public workshops to accomplish the following:

- Set community expectations
- Clearly state the Town's "current" housing needs/goals
- Check in on progress with adopted plans
- Explore options and set priorities for achieving that cycle's commitment.
- Direct staff's working plan

III. FISCAL IMPACTS: No fiscal impacts outside of staff time are foreseen at this time.

IV. LEGAL ISSUES: No legal issues are foreseen at this time.

V. CONFLICTS OR ENVIRONMENTAL ISSUES: No conflicts or environmental issues are foreseen at this time.

VI. SUMMARY AND ALTERNATIVES: This section discusses one option for proceeding. Once the staff receives clear direction, adjustments will be made accordingly.