

TOWN OF LYONS

HOUSING FUTURES PLAN



PREPARED FOR:
TOWN OF LYONS

— 2023 —

PREPARED BY:
BOHANNAN HUSTON, INC.

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Acknowledgements

Project Team/Steering Committee

Hollie Rogin, Mayor
Victoria Simonsen, Town Administrator
Kay Sparks, Housing and Human Services
Commission, Chair
Claudia Kean, Housing and Human
Services Commission
Barney Dreistadt
Kim Mitchell, Community Programs and
Relations, Director
Tanya Daty, Trustee
David Kimmitt, Lead Planner (former)

Planning and Community Development Commission

Barney Dreistadt, Chair
David Hamrick
Deborah Scott
Neal Evers
Megan Kram
Amy Schwartz
Dehru Comer
Jocelyn Farrell, Board of Trustees Liaison

Board of Trustees

Hollie Rogin, Mayor
Jocelyn Farrell, Mayor Pro Tem
Tanya Daty
Glen Delman
Ted Elson
Greg Oetting
Paula Williams

Housing and Human Services Commission

Kay Sparks, Chair
Regan Bullers, Vice-Chair
Julie Jacobs, Scribe
Cherie Maureaux
Claudia Kean
Rhonda Vandenbos
Lisa Ramsey, Staff Liaison
Tanya Daty, Board of Trustees Liaison



COLORADO
Department of Local Affairs

This project was made possible in part by funding from the Colorado Department of Local Affairs HB21-1271 Innovative Housing Strategies Planning Grant Program (IHOP). As such, outcomes and recommendations included within this plan are based on the scope of work detailed from the requirements of the IHOP grant. These include the identification of a minimum of three housing strategies to consider and the adoption of a minimum, one policy-related update to support increased housing development in the town.

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Executive Summary

Introduction

The Town of Lyons Housing Futures Plan was funded by a grant from the State of Colorado and conducted by Bohannon Huston, Inc. It represents a consultative work product intended to inform elected officials, Town staff, and the broader Lyons community about the current housing situation and what viable possibilities there may be for additional housing development in Lyons.

At the time of this writing, this Plan does not contain ratified or adopted policies or laws that bind the town to any specific future development plans, nor is this Plan meant to indicate or commit to any particular policy or law.

Interested parties should consult the Deed-Restricted Buy-Out Properties (DRBOP) Management Plan; should consider that a vote is required to rezone town-owned open space under Sec 16-15-70 under the Lyons Municipal Code; and should keep in mind infrastructure needs analyses for potential new developments.

Like the variety of housing needs assessments taking place throughout the State of Colorado, the Town of Lyons' Housing Futures Plan encompasses the comprehensive combination of the following elements:

1. A Housing Needs Assessment (Community Housing Profile),
2. The identification of housing needs,
3. The identification of where housing could be developed in the community,
4. The development of a housing-specific vision, and associated goal statements, and
5. The refinement of strategies and identification of policy considerations.

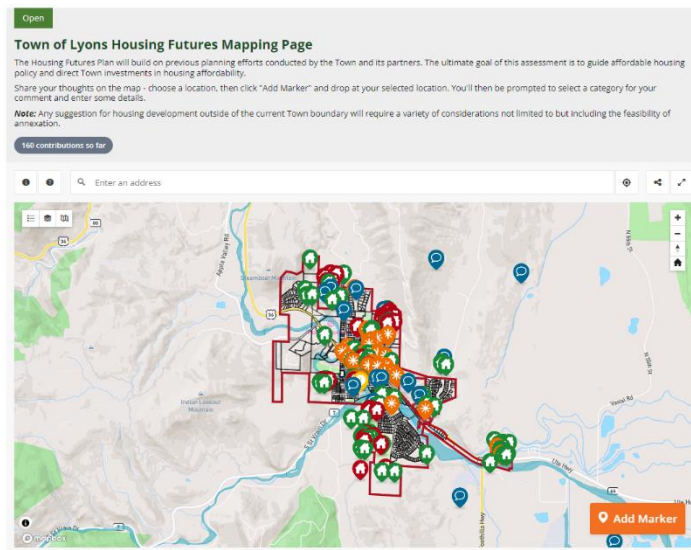
The Housing Futures Plan provides an update of the past housing needs assessment (Town of Lyons Housing Needs Assessment, 2014) and builds on the momentum and direction provided in the recently adopted *Lyons Thrive!* Comprehensive Plan (2023). This plan provides new data to paint a more up-to-date picture of the current gaps in the housing market and outline how residents' needs have changed. The material presented within this plan can be utilized by staff, community members, and elected officials as housing policy changes take shape and are implemented.

Town of Lyons Housing Vision Statement:

"Support and sustain the development of diverse housing options for the Lyons community (current and future) that addresses attainability and affordability needs."

Community Engagement - Snapshot

Community engagement is a vital component of any planning process. The engagement process for the development of this plan incorporated not only an opportunity for project awareness and feedback, but also a means to provide educational material to the community to attempt to ensure everyone can understand the need for the project. Early on, it was identified that it was important to outline the need, highlight potential options to deal with gaps, and inform the community about the process being completed.



available, 160 comments were received. This information was directly utilized to map and develop future areas of consideration for housing development in Lyons (see [Part 3](#) of this plan).

The first engagement components to be launched were the Project Website and the Interactive Map. Both helped to provide a critical feedback loop throughout the planning process. As outlined in [Part 3](#) of this plan, the key input into the Density Analysis task was the implementation of an interactive map. Through this map, respondents from the community could drop location-specific pins throughout the town to share specific feedback and sentiment related to future development in the community. During the five months the map was made

Additionally, the project team along with Town Staff attended the Sandstone Summer Concert Series on August 2, 2023, to interact more directly with the community. Each conversation with concert-goers was casual, with the discussion focused on their perception of the need in Lyons and their thoughts on where development would be appropriate. Postcards were handed out to attendees, which encouraged participation on the interactive map.



Housing Needs in Lyons - Snapshot

- To accommodate projected population and household growth, the Town of Lyons will need to **increase the production of housing** -for both rental and for-sale developments offering both market rate and affordable units.
- To allow for a wider variety of households to purchase homes in Lyons and for older homeowners in the town to shift to housing types that fit their needs, the Town needs to **incentivize the development of more missing middle housing types**.
- To accommodate the present rental unit need (due to the 2013 floods, and exacerbated by the current housing situation), the Town needs to **target affordable rental strategies** that ensure price points that the Lyons workforce can afford.
- To accommodate and incentivize the development of housing, the Town should **consider adjusting density allowances in the R-1 zoning district** to allow for increases in housing types and densities.

Community Housing Profile - Snapshot

Lyons' median household income in 2021 was \$111,982, indicating an affordable rent or mortgage payment would consist of \$2,799.55 per month. However, as of 2021, 79% of Lyons' housing units were owner-occupied, while 21% were renter-occupied with the median household income for renter-occupied households being \$47,273.

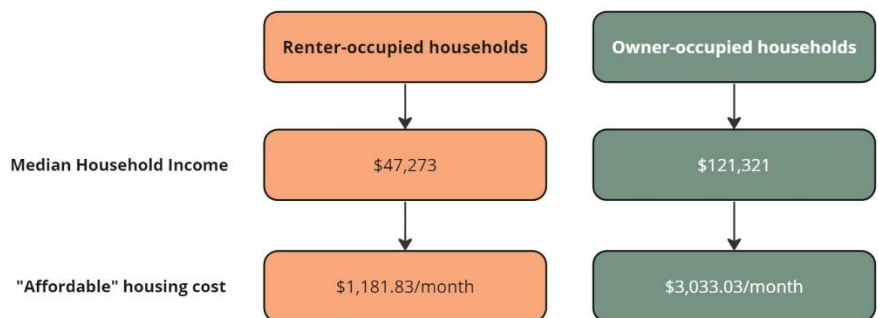


Figure 1 Affordability Index (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau)

Lyons' housing stock is predominantly single-unit detached, with 82% being detached. To balance supply and demand and increase affordability, communities should diversify their housing stock across different types. Lyons has an estimated 721 single-unit detached houses, with 69 being renter-occupied. Less than half of the 188 renter-occupied units are single-unit detached, suggesting they were originally built for owner occupancy. Of the 687 remaining owner-occupied units, 95% are single-unit detached, with 5% being townhomes or mobile homes.

% of occupied units that are single-unit detached

Boulder, City	Longmont	Lyons	Mead	Erie
40%	64%	82%	88%	89%

For more detailed information outlining the housing profile in the Town of Lyons, please see [Part 1](#).

Figure 2 % of occupied single-unit detached units by municipality (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau)

Forecasted Needs

The housing shortage issue is a major concern throughout Colorado and the County, with numerous communities continuing to fall behind. The Town of Lyons has formulated a population projection for the year 2050 by analyzing historical data from the U.S. Census Bureau. This forecast anticipates a gradual rise in the number of housing units every 5 years.

To provide direction for the comprehensive development and formulation of this plan, two scenarios were developed: trend continuation, in which the existing distribution of tenure types remains unchanged (rental units and ownership units), and an escalating rental shift, in which the current distribution is modified to accommodate a rise in renter-occupied households.

The analysis included in [Part 2](#) establishes a connection between the projected forecast and the existing stock of housing in the town, assuming a consistent household size until 2050. The primary distinction lies in the categorization of housing units based on whether they are occupied by owners or renters.

Scenario One: Forecasted Tenure Type Breakdown

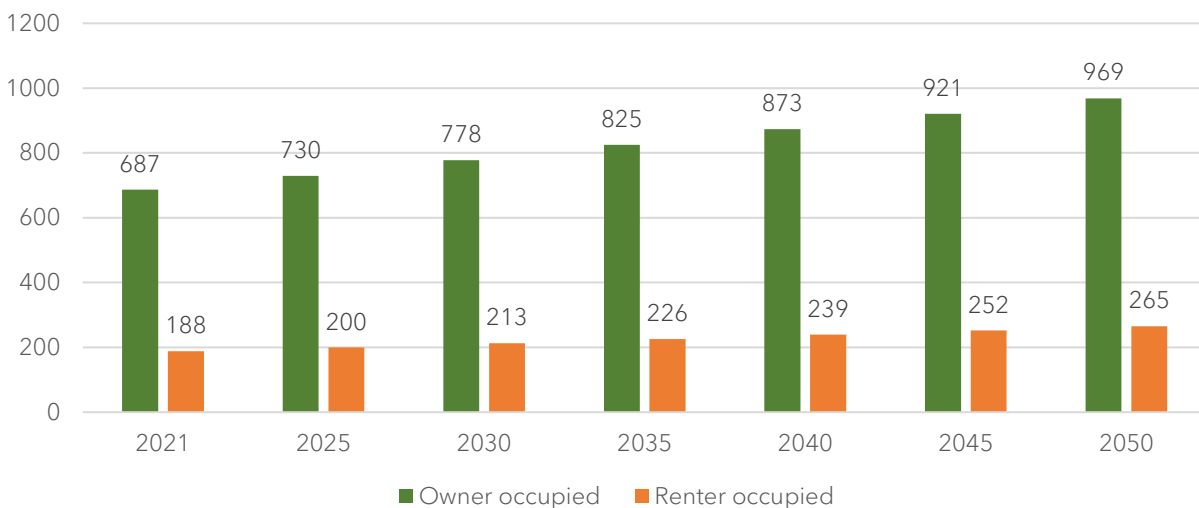


Figure 3 Tenure Type Future Breakdown – Scenario One (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau, BHI)

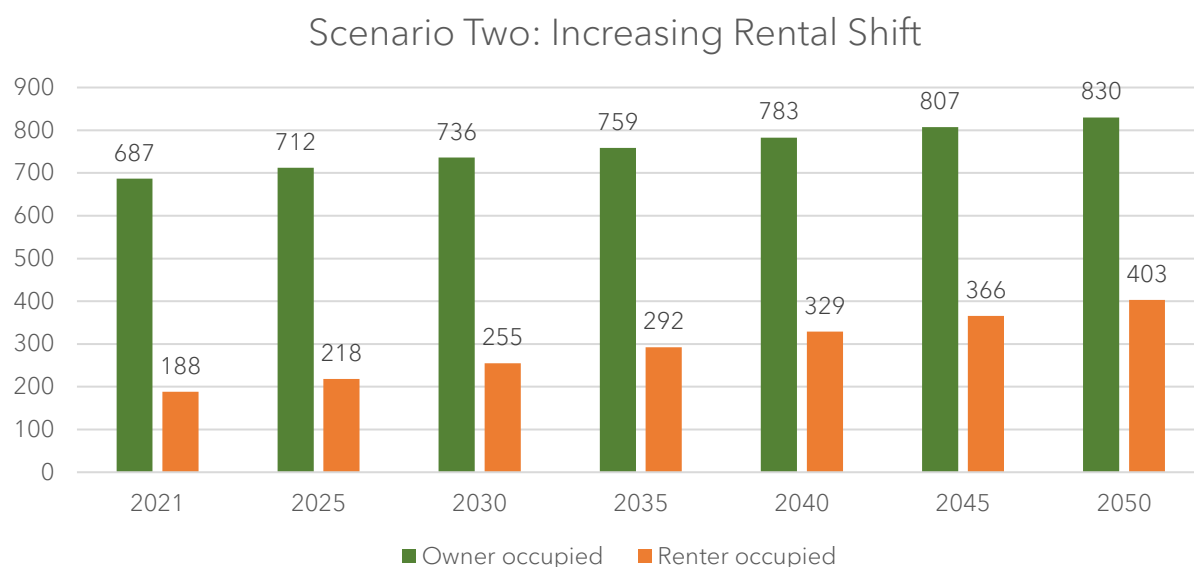


Figure 4 Tenure Type Future Breakdown – Scenario Two (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau, BHI)

Additionally, through Proposition 123 (see page 23 for details), the Town of Lyons has committed to increase the number of existing affordable housing units by three percent a year and codify an expedited review process for affordable housing developments. This commitment allows the Town of Lyons access to a variety of funding sources associated with Proposition 123 to support the future implementation of affordable housing development. The following table outlines the Town’s commitment for the next three years.

Local Government Affordable Housing Baseline Reference Data Table							
<i>Affordable Estimate</i>	<i>Housing</i>	<i>Baseline</i>	<i>Three Estimate</i>	<i>Year</i>	<i>Commitment</i>	<i>Annualized Estimate</i>	<i>Commitment</i>
80 Units			10 Units			3 Units	

For more information detailing how the forecasted needs for the Town of Lyons were developed, please see [Part 2](#) of this Plan.

Density Analysis - Snapshot

This project utilized an interactive map to crowd-source community input to identify locations in the community conducive to denser infill development. This interactive map received 160 contributions outlining 75 comments in favor of housing development, and 38 comments opposed. These comments (both for and against) were tied to a specific geographic location and do not necessarily provide general attitudes toward overall development. The project team employed data from the interactive map to create a suitability model for identifying locations in town that could be considered for higher housing density. The analysis encompassed an examination of interactive map comments, a walkshed analysis, a zoning analysis, deed-restricted buy-out property identification, and vacant parcel identification (subdivision covenants were not considered in this analysis). The objective was to provide direction for

future housing expansion in Lyons by evaluating the housing requirements of the community and identifying locations for higher residential concentration. The outcomes of this exercise generated a map that identifies parcels adjacent to or included in the identified priority areas and allocated a suitability score to each parcel.

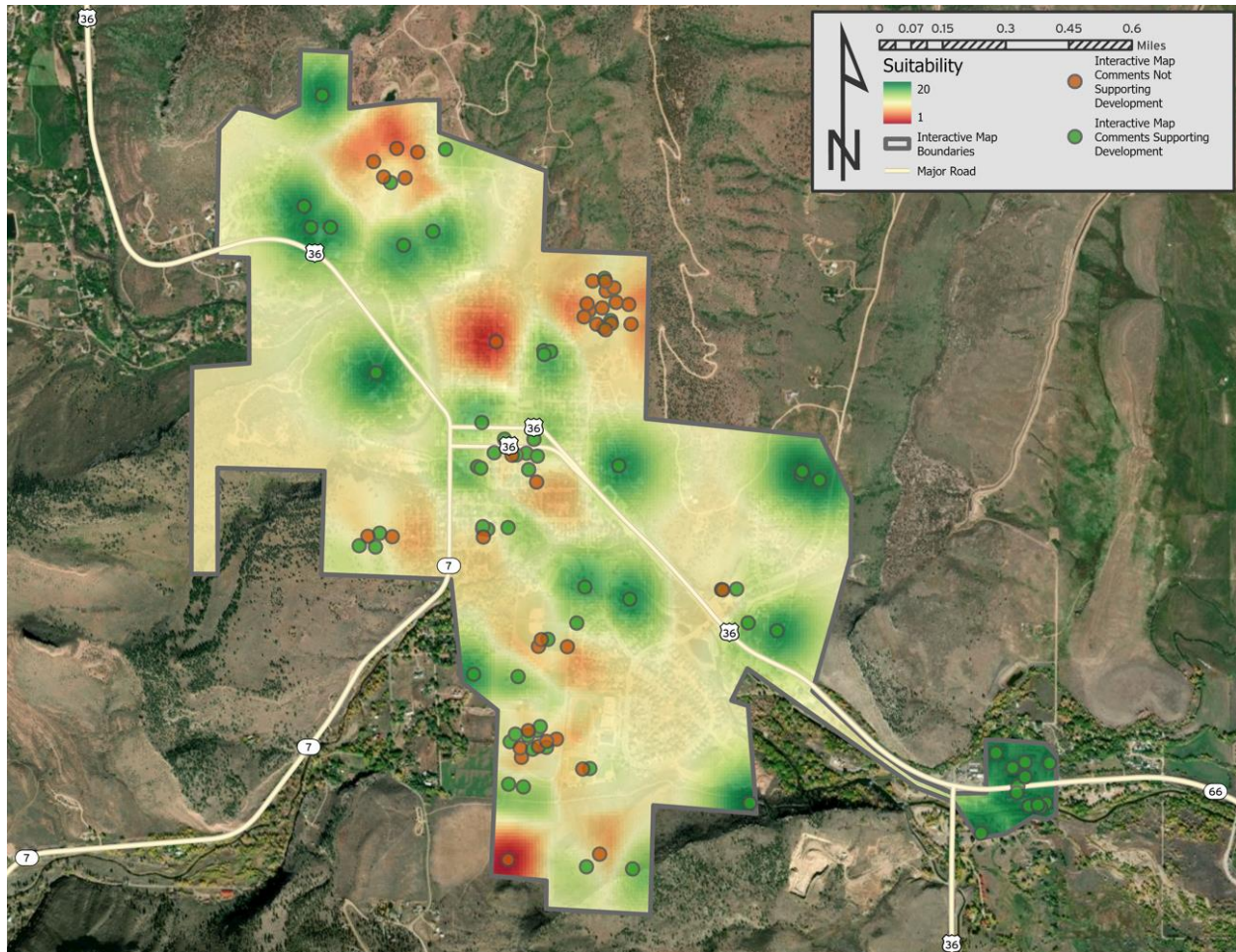


Figure 5 Housing Development Suitability Model (Source: BHI)

The analysis identified 837 parcels that are zoned for residential use. These parcels have been assigned a suitability score ranging from 0 to 10, with 10 indicating the highest level of suitability. Yet, a significant majority of these parcels, specifically 92%, are in the R-1 district. This highlights the necessity to modify the permissible density levels of that district to facilitate the expansion of housing development across different categories. A more detailed account outlining the density analysis effort for this plan is included in [Part 3](#) of this plan.

Recommendations/Strategies

This plan outlines a set of six strategies to facilitate the expansion of housing opportunities, and particularly seeks to expand affordable housing. These strategies are the culmination of the comprehensive set of findings outlined in the development of the community housing profile and the effort to produce the density analysis. They serve as foundational supports for realizing the Town of Lyons Housing Vision Statement by offering strategies for attaining the vision and goals outlined in this plan.

The Department of Local Affairs' Innovative Affordable Housing Strategies Planning Program and [Proposition 123](#) offer two primary pathways to achieve success. The Town of Lyons should consider adopting prioritized housing strategies to effectively tackle the housing needs of the community.

The strategies included in this plan that have been identified for consideration fall into two distinct "buckets" – 1) Short Term Strategies – immediate implementation considerations; and 2) General Strategies, or those for future consideration as initial implementation takes place and more involved efforts can be structured. Each identified strategy includes three key attributes.

- **Justification:** Why the strategy is important and what identified issue it may help solve.
- **How:** The potential policies and programs that would implement the strategy.
- **Potential Steps:** The list of potential steps to take to implement the strategy. *Note: Not all strategies include this attribute as in some cases, the policy or program is the step that is needed.*

The identified strategies are listed below. For more details on the implementation of each, please see [Part 5](#) of this plan.

Short Term Strategies

Strategy 1: Promote affordable, attainable, and flexible housing types

Strategy 2: Expedite housing development review

Strategy 3: Implement a density bonus program

General Strategies

Strategy 4: Use vacant publicly-owned property for affordable housing development

Strategy 5: Reduce development-related fees

Strategy 6: Incentivize the construction of accessory dwelling units on previously developed single-unit residential parcels

Part 1 – Community Housing Profile

Background

Like many places throughout the United States and the Denver-Boulder Region, the Town of Lyons faces housing affordability and attainability challenges due to a variety of factors, some of which are part of regional and national trends, and some specific to Lyons itself. Housing costs have soared across the nation in the past few years in part due to migration patterns, building material supply shortages, and increased labor costs. These nationwide shortages also originate in part from the 2008 housing collapse, which caused a plunge in new construction. Around the same time, demand for housing increased as millennials became adults and sought to purchase houses. More recently, the pandemic gave rise to supply chain delays and a reduced workforce, leading to increased building costs and delayed construction timelines.

In addition, Lyons faces unique challenges due to impacts from the 2013 flood, geographic constraints, a limited supply of buildable land, and a zoning ordinance that favors single-unit low-density development. The Town's proximity to Denver, Boulder, and Longmont also adds high desirability.

The Affordability Context

The terms affordable housing and attainable housing often get combined to mean the same thing when discussing community housing needs, however, they have their differences. Given the range of housing needs for a community with a diverse population, it is important to consider both when working to develop policy updates and investment strategies to support the needs of any community. Individual definitions for "affordable" and "attainable" are provided below, however, for this Community Housing Profile, the measure for affordability in the town will be based on the general guideline that housing costs (rent/mortgage payment) are no more than 30% of a household's gross monthly income.

What does it mean for housing to be "Affordable" in Boulder County?

The basic, and universally accepted definition of affordable housing is housing that serves households with incomes between 30 to 60 percent of the area median income (AMI), as defined and updated yearly by the Colorado Housing and Finance Authority. For example, a family of three with a gross monthly income of \$5,980 (or 60% of Boulder County's AMI) can afford a monthly rent or mortgage payment of \$1,794/month or less.

	30% AMI	60% AMI	80% AMI	100% AMI	120% AMI
Household Income	\$35,880	\$71,760	\$95,680	\$119,600	\$143,520
30% Factor	Up to \$897/month Up to \$10,764/year	Up to \$1,794/month Up to \$21,528/year	Up to \$2,392/month Up to \$28,704/year	Up to \$2,990/month Up to \$35,880/year	Up to \$3,588/month Up to \$43,056/year
Affordable Range - may qualify for subsidies					Attainable Range

Figure 6: Boulder County AMI (Source: Colorado Housing and Finance Authority) Note: 30% factor in the figure above is the affordability threshold that no more than 30% of a household's income should be spent on housing costs.

Note: Typically, qualifying for affordable housing or rental assistance through a housing authority such as Boulder Housing Partners is based on the 30 to 80 percent AMI.

What about “Attainable”?

Attainable housing is often also considered or referred to as workforce housing and typically serves those households with incomes that represent 60 to 120 percent of AMI. For example, a family of three with a gross monthly income of \$9,960 a month (or 100% of Boulder County’s AMI) can afford a monthly rent or mortgage payment of \$2,990/month or less.

How does this relate to household income in Lyons?

AMI values are always calculated at a county or metropolitan-area level by the U.S. Department of Housing and Urban Development. While Boulder County’s AMI tables are relevant, it is important to take a more detailed look at affordability by considering the Town of Lyons’ median household income as reported by the U.S. Census Bureau.

In 2021, the median household income in Lyons was reported to be \$111,982. An affordable rent or mortgage payment based on this average equates to \$2,799.55 per month.

However, looking into median household income in Lyons by housing tenure (ownership vs. rental) paints a much different picture. As of 2021, there were nearly 900 housing units in Lyons. Of these, 79% were owner-occupied and 21% were renter-occupied. For owner-occupied households in Lyons, the median household income was \$121,321. Starkly contrasting this number, the renter-occupied household income was reported at \$47,273. The “affordability” breakdown is shown below in Figure 7 (also provided previously in Figure 1).

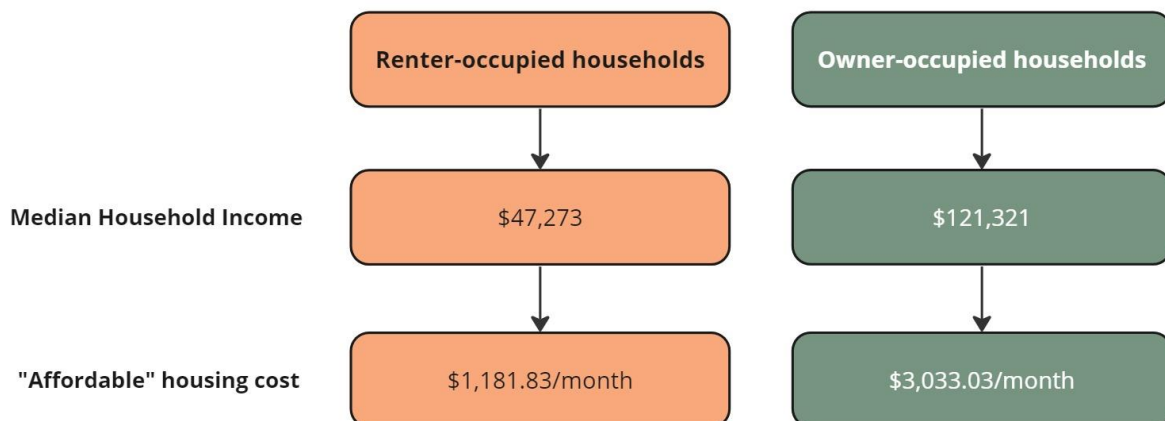


Figure 7: Affordability Index (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau)

Lyons’ Existing Housing Stock

Not unlike its neighbors in the region, housing in the town is predominantly comprised of single-unit detached houses, as shown in Figure 8. What is a good number? To induce a balance between supply and demand, along with increasing housing affordability, it is important

% of occupied units that are single-unit detached

Boulder, City	Longmont	Lyons	Mead	Erie
40%	64%	82%	88%	89%

Figure 8: % of occupied single-unit detached units by municipality (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau)

that communities strive to diversify their housing stock across the spectrum of housing types – duplexes, triplexes, apartments, etc. While 82% of the housing stock in Lyons is single-unit detached, this means that the remaining 18% is made up of all other possible types as noted previously. A “good” number would be to strive to equalize this differentiation. The City of Boulder for instance maintains 60% of its housing stock as follows:

City of Boulder Occupied Housing Units by Units in Structure (w/o single family detached)

Single Unit Attached	2 Units	3 or 4 Units	5 to 9 Units	10+ Units	Mobile home or other
7%	2%	6%	9%	33%	3%

Figure 9 % of occupied housing units by units in structure, City of Boulder (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer, U.S. Census Bureau)

As noted above, Lyons’ remaining 17% of its housing stock is detailed in the following illustration.

Town of Lyons Occupied Housing Units by Units in Structure (w/o single family detached)

Single Unit Attached	2 Units	3 or 4 Units	5 to 9 Units	10+ Units	Mobile home or other
6%	2%	2%	3%	2%	3%

The largest difference in these types of housing units largely centers around the 10+ unit breakdown. Whereas the City of Boulder has larger apartment buildings incorporated into its overall housing portfolio, the Town of Lyons does not.

Rental Units

As of 2021, the town had an estimated 721 single-unit detached houses and an estimated 69 of them were renter-occupied. Of an estimated 188 renter-occupied units, less than half were found in single-unit detached houses. This suggests that these homes were originally built for owner occupancy and have some time in the past transitioned to long-term rental units. The renter-occupied housing type breakdown is provided in Figure 10 below.

Rental unit housing type breakdown (of 188 occupied units)

Single Unit Detached	Single Unit Attached	2 Apartments	3 or 4 Apartments	5 to 9 Apartments	10+ Apartments	Mobile home or other
37%	20%	10%	3%	11%	10%	9%

Figure 10: Occupied Rental Units by Type (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau)

Owner-Occupied Units

Of the 687 remaining owner-occupied housing units in Lyons, roughly 95% are considered to be single-unit detached houses. The remaining 5% is made up of some sort of other housing type such as a townhome (single unit attached) or mobile home. The owner-occupied housing type breakdown is provided in Figure 11 below.

Owner-occupied housing type breakdown (of 687 occupied units)

Single Unit Detached	Single Unit Attached	2 Apartments	3 or 4 Apartments	5 to 9 Apartments	10+ Apartments	Mobile home or other
95%	2%	0%	2%	0%	0%	1%

Figure 11: Occupied Ownership Units by Type (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau)

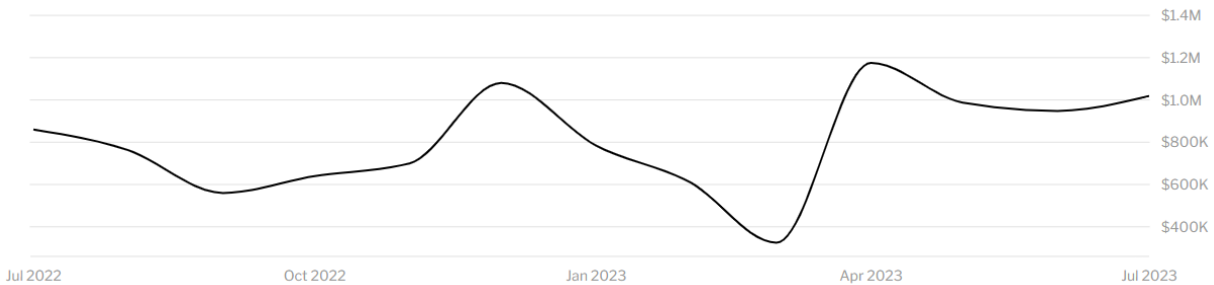
Market Trends – a snapshot

For-Sale

According to the U.S. Census Bureau’s American Community Survey, Lyons’ median home value in 2021 was estimated to be \$637,000. Compared to the City of Boulder, this value was 10% higher, and 150% higher than the median home value in Colorado.

A variety of real estate websites track and report housing market trends in communities throughout the United States. An initial investigation into the data provided through websites such as Redfin, Realtor.com, etc. provides a snapshot into what median home sales prices look like currently compared to the past, as well as current listing prices.

According to Redfin, the median sale price in July 2023 was \$1,019,000 which accounts for an increase of 18.5% compared to July 2022. In July 2022, the median home price was roughly \$888,000. The figure below shows the fluctuation in home sale prices over the last year.



Currently, Realtor.com shows the median listing home price in Lyons at roughly \$850,000. At the time of development of this housing profile, there were 62 homes for sale in the Lyons area, ranging from \$40,000 to \$2,800,000.

Note: this brief analysis considered properties that have a Lyons address. It is important to note that even properties listed immediately adjacent to the Town’s municipal limits, can still influence comparison (comps) numbers in real estate analysis and pricing.

Rental

The median monthly housing cost for Lyons residents in 2021 was roughly \$2,117. For renter-occupied-households, the median housing cost drops to approximately \$1,403. However, this median housing cost is an estimate provided by the American Community Survey and may not accurately represent current rental costs in the town. Analysis of a variety of online rental publishing platforms shows that the average rent for a one-bedroom apartment in Lyons could range anywhere from \$600 per month to \$1,817 per month.

Note: Search terms focused on housing that has a Lyons address. Although some properties may be external to the municipal boundary of Lyons, they still likely affect rates and home values and thus were included.

Complicating factors further is the range present in single-unit home rentals – which is only further compounded by the lack of units currently available. The ranges present are illustrated below in Figure 12.

Available Rental Stratification (as of August 2023)

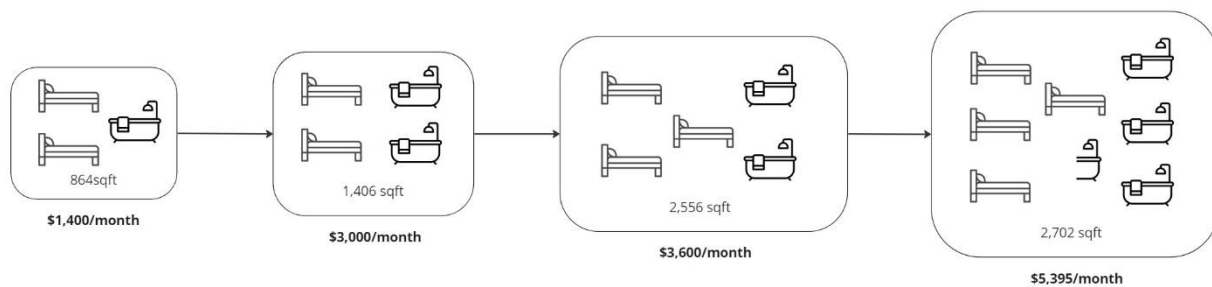


Figure 12: August 2023 Available Rental Stratification (Source: Aggregation from Rental Websites; Redfin, Zillow, etc.)

Housing Costs and Cost Burden

As noted previously, the median monthly housing cost (all tenure types) for Lyons residents in 2021 was roughly \$2,117. This “global” estimate for the town is more easily detailed by illustrating the breakdown as reported through the American Community Survey. Figure 13 below illustrates the monthly housing costs as differentiated between owners and renters.

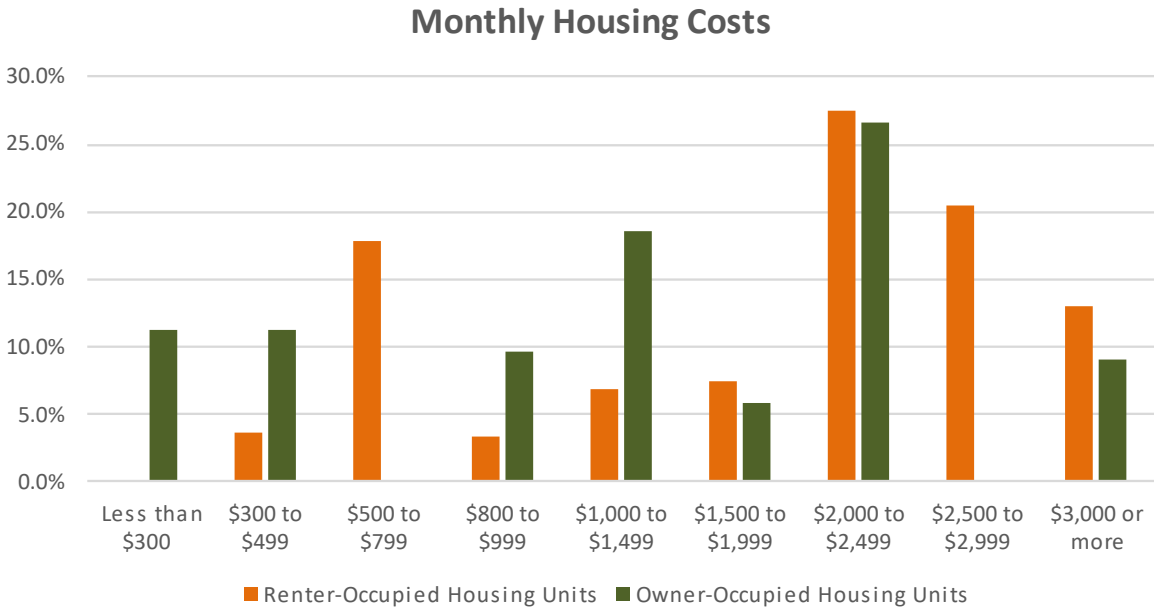


Figure 13: Monthly Housing Costs (Source: American Community Survey ACS 2021 (5-Year Estimates), Table S2503, U.S. Census Bureau).

By calculating the proportion of monthly housing costs for owners and renters at different income levels, it is possible to determine the percentage of cost-burdened households across different income brackets. Figure 14 below shows the proportion of all cost-burdened households in Lyons at different income levels surveyed by the ACS, regardless of owner or renter status, by those spending 30% or more of their income on housing costs.

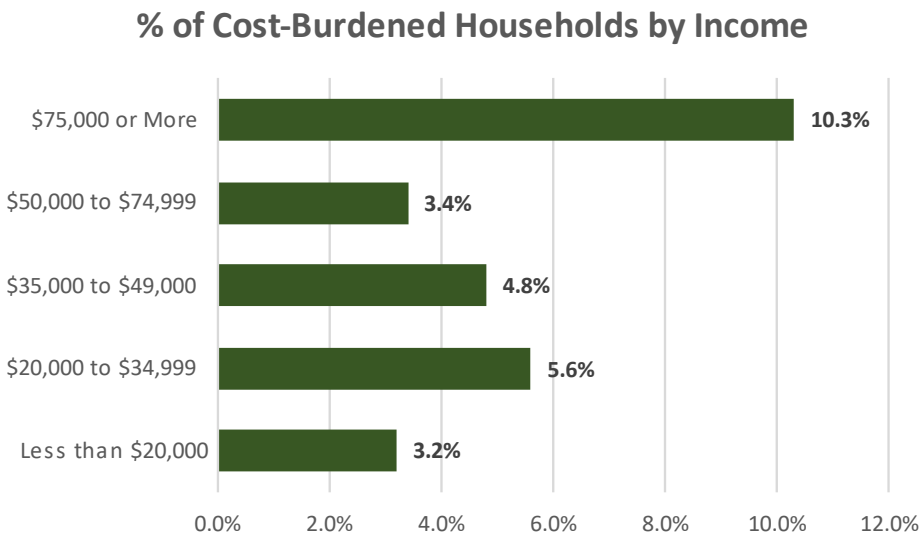


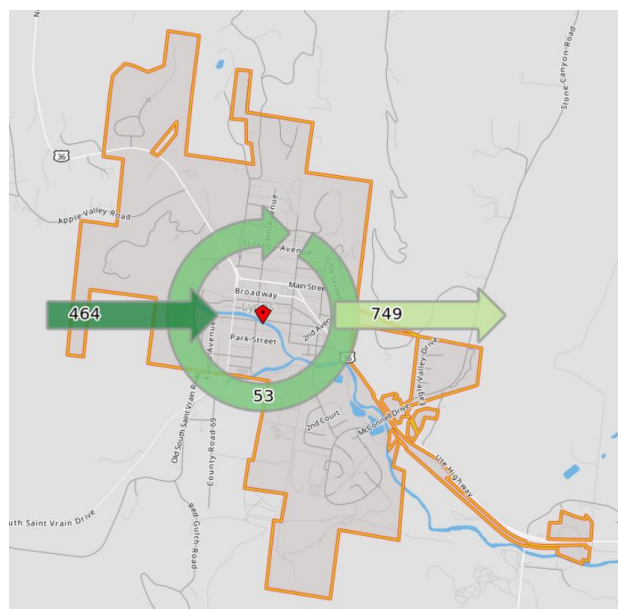
Figure 14: Percentage of Cost-Burdened Households by Income (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates) A10026. Housing Units by Housing Costs as a Percentage of Household Income in the Past 12 Months, Social Explorer; U.S. Census Bureau)

As illustrated in the chart above, a significant portion of higher-earning households show to be cost-burdened. This indicates the current mismatch in available versus needed housing types in the community. Incentivizing the development of more housing types and more housing variety would allow for current households to find more appropriate housing that better fits their needs (family size, number of bedrooms, etc.) and their incomes.

Commuting

Commuting patterns of employed residents and those that travel into Lyons for work undeniably have an added effect on the housing situation in the town. Utilizing the Longitudinal Employer-Household Dynamics reporting through the U.S. Census Bureau's OnTheMap tool, an understanding of where workers are employed and where they live can be developed specifically for Lyons. The output of this tool, shown below, indicates that most people who work in Lyons live elsewhere. In 2020, roughly 90 percent of those employed in the town lived outside. In contrast, of the 802 employed residents of Lyons, roughly 93 percent commute to a job outside of the community – this leaves 6.6 percent or 53 residents who stay in town for work.

Note: This analysis includes "all jobs" which includes home occupations but is not the same as remote work. Remote work is likely not included at this stage of Census Reporting as respondent answers indicate a differentiation between where they live versus where their employer is located.



Inflow/Outflow Job Counts (All Jobs) - 2020

	Count	Share
Employed in Lyons	517	100.0%
Employed in Lyons but Living Outside	464	89.7%
Employed and Living in Lyons	53	10.3%
<hr/>		
Living in Lyons	517	100.0%
Living in Lyons but Employed Outside	749	93.4%
Living and Employed in Lyons	53	6.6%

Figure 15: Inflow-Outflow Statistics (Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics)

So why is this important?

Affordable and attainable housing that fits a range of household types and lifestyles is of the utmost importance to attracting, retaining, and developing a diverse, productive workforce in any community. It is difficult to promote economic and workforce development initiatives, if the housing supply cannot absorb the workforce needs of the local economy. As observed in the front range, such a drastic percentage of local employment living outside of the community has the likelihood to cause substantial strain on the local economy.

Coupled with this conundrum, is the fact that those with jobs supporting the community of Lyons (retail, commercial, administrative, etc.) are forced to live elsewhere due to the lack of housing options available – they make their income in Lyons and spend it elsewhere. It should also be noted that many in this situation have expressed a desire to live where they work – to live in a community they love but cannot afford. During the Sandstone Summer Concert Series, several participants noted they were visiting from adjacent communities, and have worked in Lyons for years, but have been unable to find housing, either due to their needs or their affordability.

Workforce Housing Index

The previous section stresses the importance of considering the commuting workforce in the housing discussion. This brief section outlines what affordability “looks” like for occupation groups found in Lyons. This analysis focuses predominantly on vital occupations rather than the full list of occupations working in the community as vital occupations tend to be in lower income earning brackets, while also providing significant support to the communities in which they serve.

The vital occupation groups identified for the Town of Lyons are provided in Table 1 below. Each occupation listed is accompanied with its reported median annual earnings, monthly earnings, and an estimation of a median monthly affordability amount for housing costs.

Workforce Housing Index, Lyons, Colorado, 2021

<i>Vital Occupation Groups</i>	<i>Median Earning</i>	<i>Monthly Earning</i>
Educational Instruction, And Library Occupations	\$57,337	\$4,778
Construction And Extraction Occupations	\$44,000	\$3,666
Office And Administrative Support Occupations	\$43,125	\$3,593
Building And Grounds Cleaning And Maintenance Occupations	\$27,574	\$2,297
Protective Service Occupations	**	**
Healthcare Support Occupations	**	**
Community And Social Service Occupations	**	**
Median Income	\$43,562	\$3,630
Available for housing (30% of median earnings)		\$1,089

Table 1: Workforce Housing Index, Lyons, Colorado, 2021 (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau)

This community housing profile has already reported that the median housing cost renter-occupied housing in the community is approximately \$1,403. The workforce housing index outlined in the table above stresses the point that if a person in a vital occupation can find housing in town, it is likely they will immediately become cost-burdened if they decide to move in. And this situation only works if this person has already been able to compile first and last month’s rent, as well as their security deposit.

It is important to also consider who fills these types of jobs in the community. For example, the first row in Table 1 above, highlights the median annual earnings for those in the “Educational Instruction, and Library Occupations” group. These are the educators in Lyons. And, while a family household may be able to find a housing option in town, the fact that a teacher is likely unable to, has tangential negative effects on the

community. Without a concerted effort to increase the housing supply, negative aspects will take shape and will be detrimental to the overall community's wellbeing.

Part 2 – Forecasted Needs

Background

Housing shortages have become commonplace throughout the State of Colorado as well as the Nation. Most would agree that more housing is needed everywhere, but getting to exactly how much more is a bit tricky. Housing needs are an acute and prolonged issue. Many communities like Lyons are already behind, which compounds future needs while exacerbating current shortages. The following subsections outline the steps and provide an estimation of forecasted needs for the town. It is important to note that forecasted housing needs should be seen as a general target, not an absolute. Housing needs ebb and flow with changes in the community from year to year and attempt to consider migration, natural population increase and decline, and changes in the workforce. The ensuing estimates reach out to the year 2050 – a lot can change between now and then.

Future Population (Growth)

The first step in determining future housing needs for the Town of Lyons involves the development of a population forecast which extends to 2050. An appropriate growth rate was developed based on the town's historical population data from the U.S. Census Bureau and applied to develop the forecast illustrated in Figure 16 below.

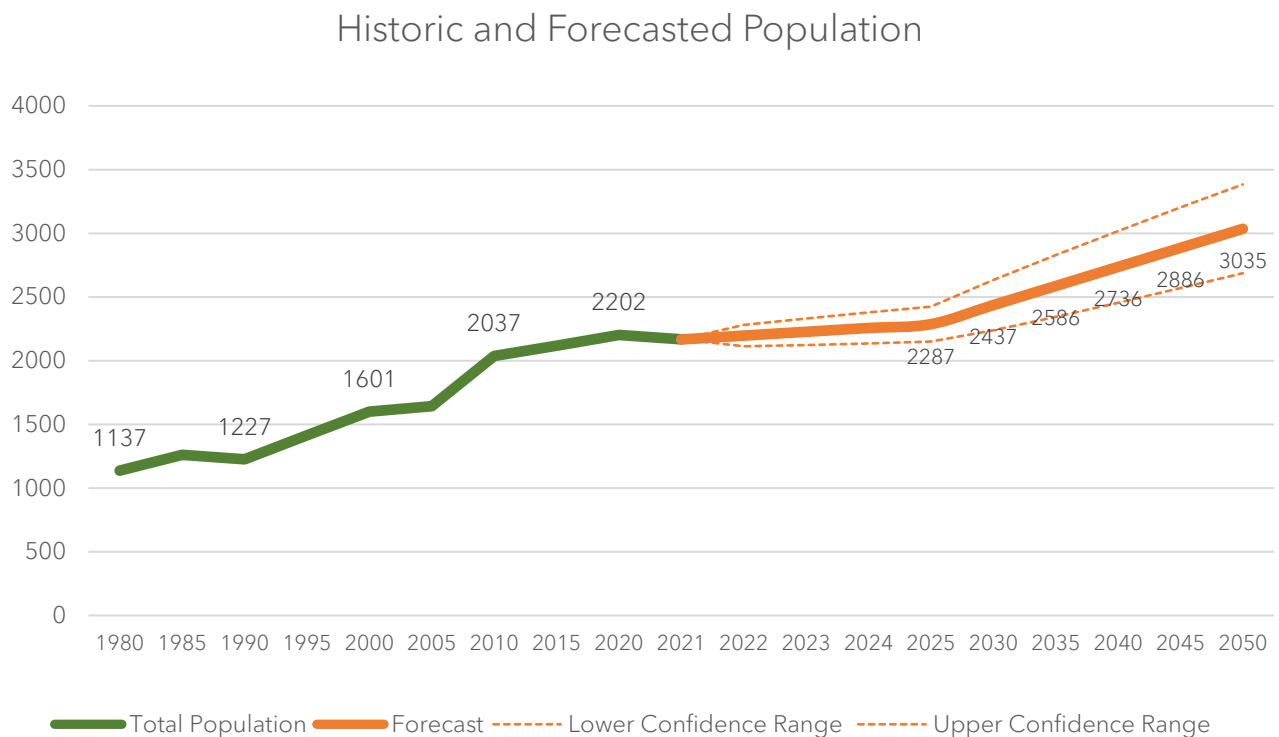


Figure 16: Past and Future Populations (Source: Source: U.S. Census Bureau, BHI)

This analysis provides tabular population data that can then be used to determine the future household needs in subsequent steps (see below).

Future Households

The key to determining future housing needs is to develop an understanding of how the future population equates to housing units. The town's median household size from 2010 to 2021 was roughly 2.46 people. Using this household size, the future population can be converted into future households to provide a more general understanding of the number of future housing units needed to support the forecasted increase in residents. Figure 17 below, illustrates the estimated increase in housing units every 5 years - which equates to a total increase from 892 units in 2021 to 1234 in 2050 (the addition of 342 units in the next 27 years).

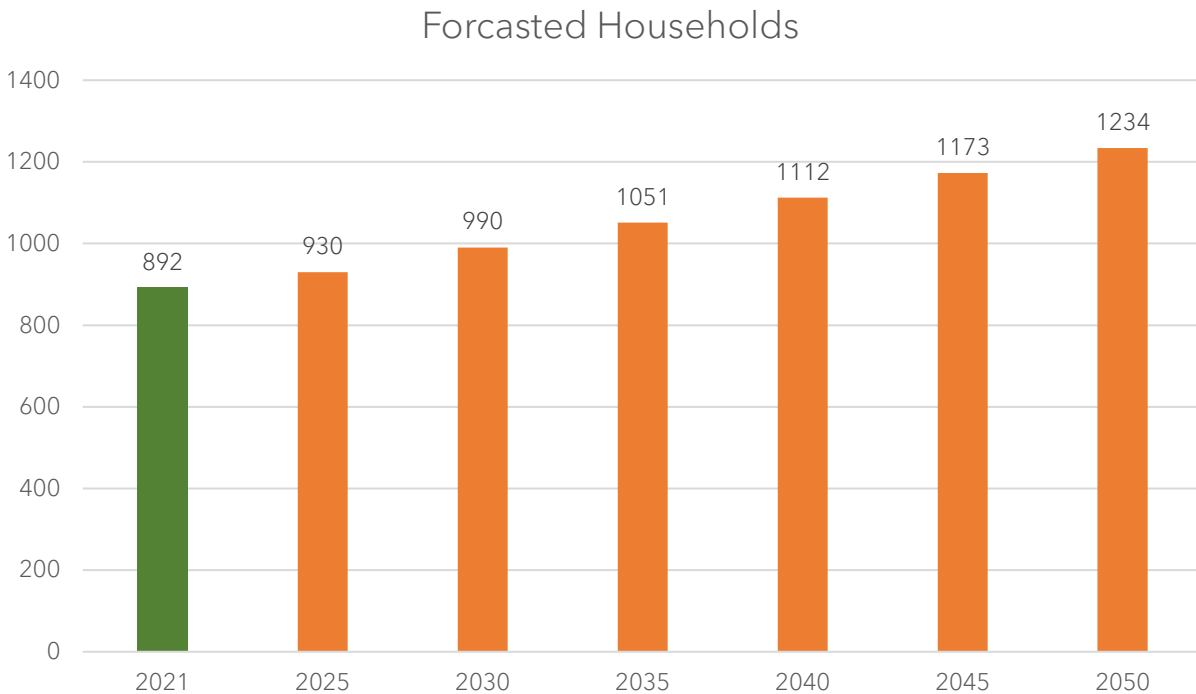


Figure 17: Forecasted Number of Total Households (Source: BHI)

Tenure breakdown

The third phase in the process to a future housing forecast is to determine the separation of future households by tenure type. This is done to support further analysis into potential recommendations and policy changes that can address the needs of each housing type.

After discussion with Town representatives, two tenure scenarios were developed and included below.

- **Scenario One: Trend continuation**, which includes the current separation of tenure types in Lyons and anticipates it will exist in perpetuity.
- **Scenario Two: An increasing rental shift**. The current separation of tenure types in Lyons is adjusted to support an increase in renter-occupied households into the future.

Scenario One: Trend Continuation

As noted above, this scenario maintains the current trend and assumes that the imbalance of tenure types in Lyons will continue throughout the forecast. Currently, 78.5% of households in Lyons are owner-occupied, whereas 21.5% are renter-occupied. The ensuing forecasted separation is illustrated in Figure 18 below.

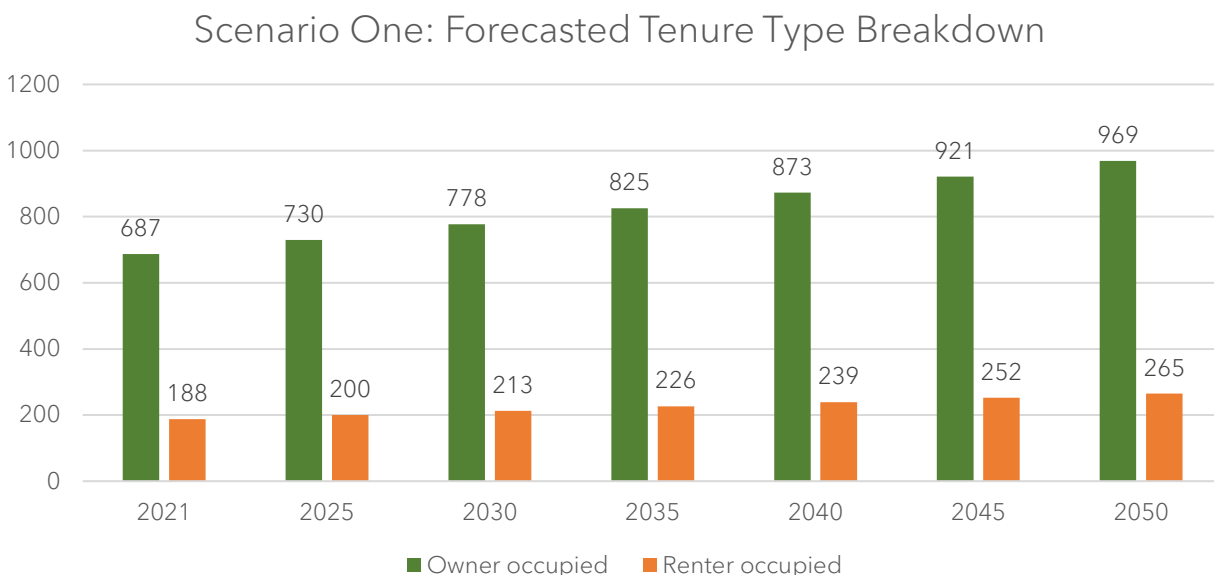


Figure 18: Tenure Type Future Breakdown – Scenario One (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau, BHI)

Scenario One Tenure Type Breakdown, 2021-2050

Tenure Type	2021	2025	2030	2035	2040	2045	2050
Owner occupied (78.5% of total)	687	730	778	825	873	921	969
Renter occupied (21.5% of total)	188	200	213	226	239	252	265
Total Households	875	930	991	1,051	1,112	1,173	1,234

Table 2 Tenure Type Future Breakdown - Scenario One (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau, BHI)

Scenario Two: Increasing Rental Shift

Scenario Two assumes that the separation of tenure types in Lyons will gradually change to an increase in renter-occupied households into the future - that the share of renter-occupied households will gradually increase while owner-occupied households will decrease. An appropriate growth rate was developed and applied to the renter-occupied tenure percentage based on historical housing data from the U.S. Census Bureau. The resulting forecast is illustrated in Figure 19 below.

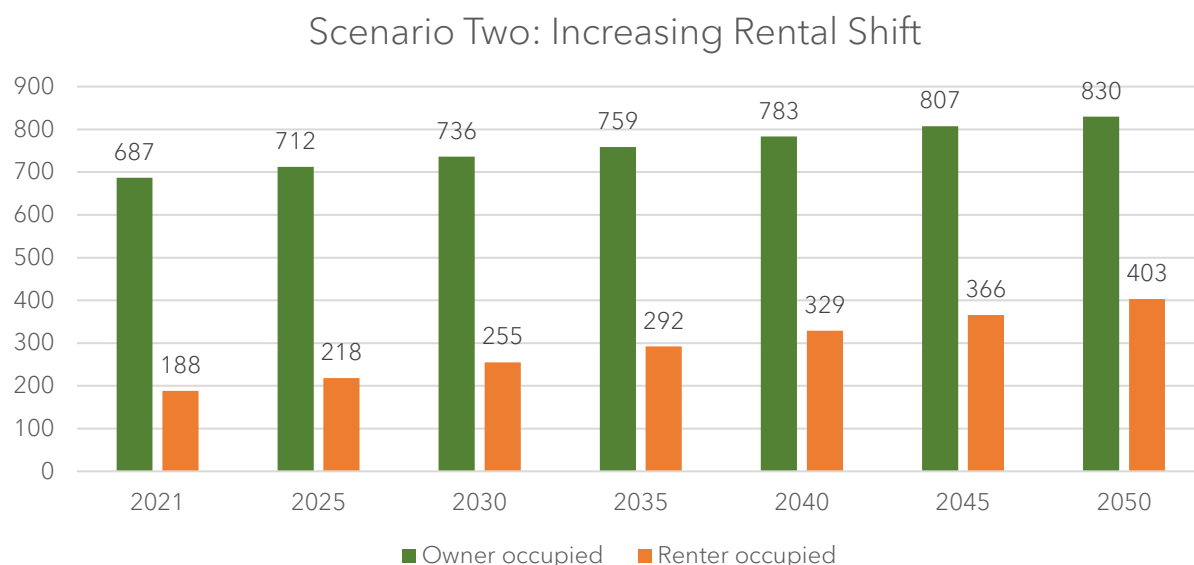


Figure 19: Tenure Type Future Breakdown - Scenario Two (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau, BHI)

Scenario Two Tenure Type Breakdown, 2021-2050

Tenure Type	2021	2025	2030	2035	2040	2045	2050
Owner occupied	687	712	736	759	783	807	830
Renter occupied	188	218	255	292	329	366	403
Total Households	875	930	991	1,051	1,112	1,173	1,233

Table 3 Tenure Type Future Breakdown - Scenario Two (Source: Social Explorer Tables: ACS 2021 (5-Year Estimates), Social Explorer; U.S. Census Bureau, BHI)

Proposition 123 Commitment Estimate

Proposition 123 created the State Affordable Housing Fund, dedicating 40% of funds to the Affordable Housing Support Fund administered by the Department of Local Affairs (DOLA) and 60% to the Affordable Housing Financing Fund overseen by the Colorado Office of Economic Development and International Trade (OEDIT). to fund housing programs. The initial step in qualifying for access to these funds is a Local Government Affordable Housing Commitment which includes a requirement to increase existing affordable housing units by 3% a year and an expedited review process for Affordable housing developments. (Source: OEDIT, [Proposition 123 - Colorado Affordable Housing Financing Fund](#))

Before the November 1, 2023, deadline, the Town of Lyons made an affordable housing commitment which, in addition to committing to increasing existing affordable housing units by three units a year, also sets the Town's baseline of affordable housing. The Town's baseline estimate, and commitment are outlined in the Table provided below.

Local Government Affordable Housing Baseline Reference Data Table

Affordable Housing Baseline Estimate	Three Year Commitment Estimate	Annualized Commitment Estimate
80 Units	10 Units	3 Units

Forecast Assessment

Finally, this portion of the analysis aims to put the forecast into perspective and connects the forecast to the current stock of housing in town. Results for each scenario described above are included below. It is important to note that in each scenario, the same population growth projection and household size are carried throughout 2050, however, the most prominent difference is the differentiation between owner-occupied and renter-occupied housing units.

	2021	2025	2030	2035	2040	2045	2050
Scenario One							
Total Occupied Units	892	930	990	1,051	1,112	1,173	1,234
Owner Occupied	687	730	778	825	873	921	969
Renter Occupied	188	200	213	226	239	252	265
Average Household Size	2.46	2.46	2.46	2.46	2.46	2.46	2.46
Population Accommodated	2,152	2,287	2,437	2,586	2,736	2,886	3,035
Owner Occupied Population	1,690	1,795	1,913	2,030	2,148	2,265	2,383
Renter Occupied Population	462	492	524	556	588	620	653
Additional Units Needed		38	98	159	220	281	342
Owner Occupied Units		30	77	125	173	221	268
Renter Occupied Units		8	21	34	47	60	74

	2021	2025	2030	2035	2040	2045	2050
Scenario Two							
Total Occupied Units	892	930	990	1,051	1,112	1,173	1,234
Owner Occupied	687	712	736	759	783	807	830
Renter Occupied	188	218	255	292	329	366	403
Average Household Size	2.46	2.46	2.46	2.46	2.46	2.46	2.46
Population Accommodated	2,152	2,287	2,437	2,586	2,736	2,886	3,035
Owner Occupied Population	1,690	1,751	1,810	1,868	1,926	1,985	2,043
Renter Occupied Population	462	536	627	718	810	901	992
Additional Units Needed		38	98	159	220	281	342
Owner Occupied Units		29	73	115	155	193	230
Renter Occupied Units		9	25	44	65	88	112

Table 4 Scenario Results (Source: BHI)

Part 3 – Density Analysis – where should more housing go?

Introduction

Lyons' existing housing pressures are exacerbated by its small overall land area (1.37 square miles). The presence of North and South Saint Vrain Creeks further complicates the town's geographical limitations. Thoughtful consideration of annexation and the prioritization of infill development will be crucial if Lyons is to achieve its desired increase in overall housing stock. Utilizing a combination of community input and spatial data, suitable areas for higher-density infill development were identified.

Current Residential Zoning Allowances

The Lyons Municipal Code currently designates four zones for residential housing: R-1 (Low Density Residential District), R-2 (Medium Density Residential District), R-2A (Medium High Density Residential District), and R-3 (High Density Residential District). Of the four zones R-2, R-2A, and R3 allow for the development of higher density multifamily housing, however only 6.7 percent of the residential zones allow for the development of multifamily housing which significantly constrains the amount of developable land for this housing type.

Residential Zoning District Distribution

<i>Zone Class</i>	<i>Parcel Count</i>	<i>Total Sq. Ft.</i>	<i>Percent of R Zone Classification</i>	<i>Zone</i>	<i>Percent of Total Sq. Ft.</i>
R-1	766	11,806,499	93.3%		91.8%
R-2	13	649,201	1.6%		5.0%
R-2A	38	314,311	4.6%		2.4%
R-3	4	90,049	0.5%		0.7%
Grand Total	821	12,860,060	100%		100%

Table 5 Distribution of Residential Zone Districts (Source: Town of Lyons, BHI)

Further analysis of the spatial distribution of parcels that allow for multifamily dwelling units highlights the uneven distribution of density in Lyons with most parcels zoned for multifamily dwelling units being located to the west of SH 7 and south of US 36 (See Figure 20 below).

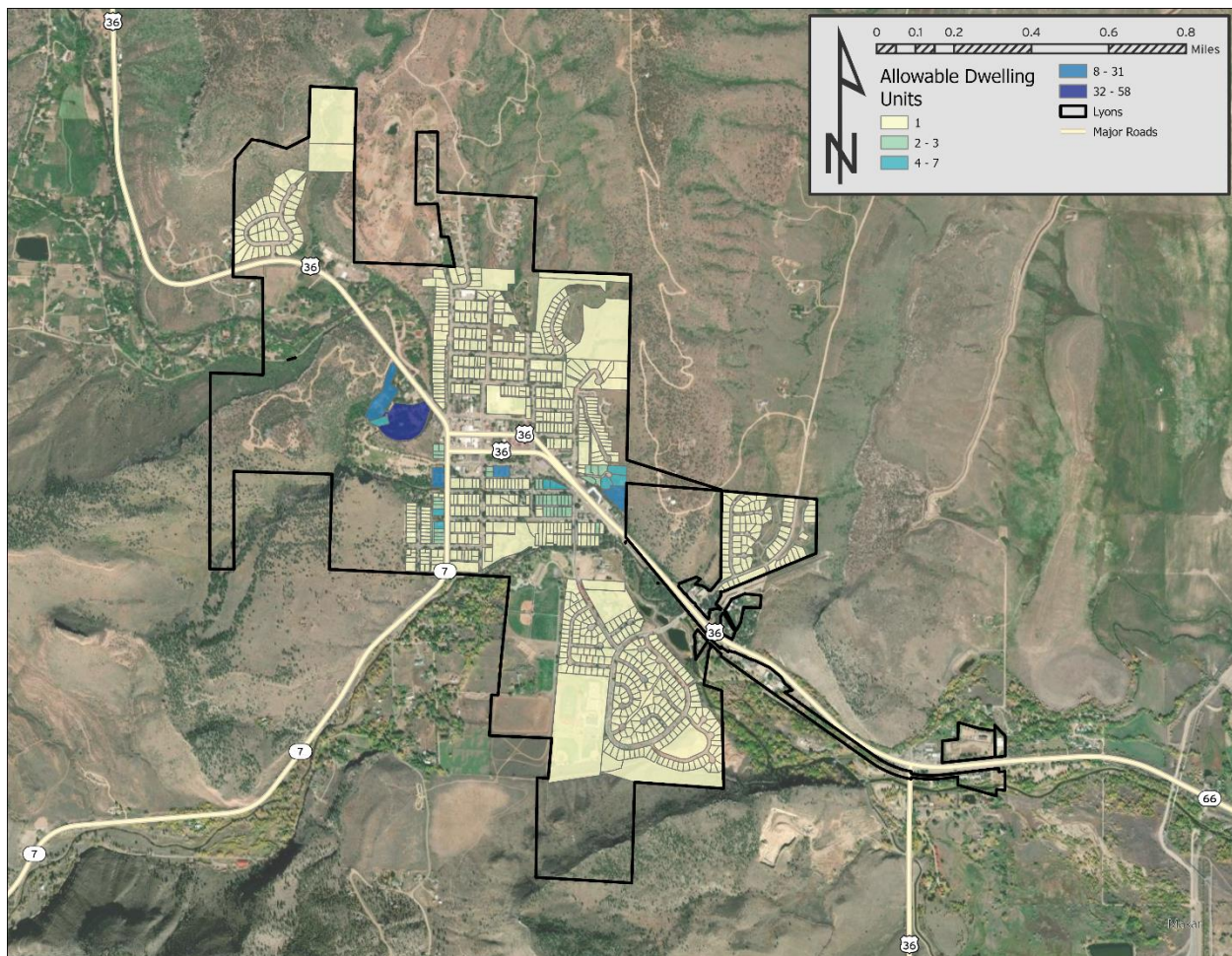


Figure 20: Maximum Dwelling Units by Zoning (Source: Town of Lyons, BHI)

Opportunity Analysis

Community-sourced development areas

As part of the effort to identify areas suitable for denser infill development in Lyons, the community was asked to provide input on areas they feel are suitable for increased residential density through the use of an online interactive map. Residents were also encouraged to highlight areas they deemed unsuitable for increased density and any other feedback/comments they had about housing needs in the community. Overall, the interactive map received 160 contributions which helped identify areas for further analysis and development consideration. Figure 21 below illustrates the resulting interactive map engagement outcomes.

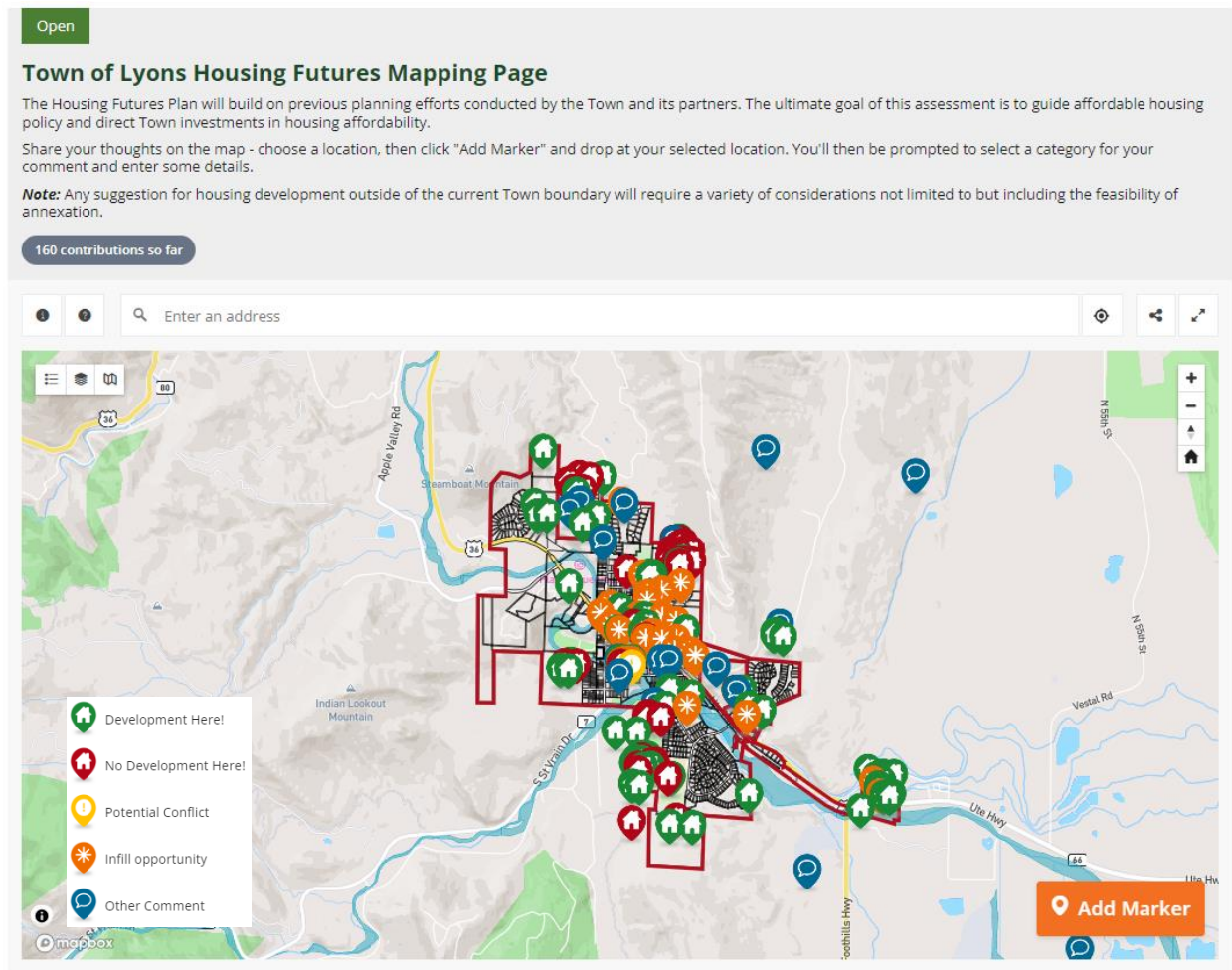


Figure 21 Town of Lyons Housing Futures Mapping Page

The following subsections summarize the outcomes of the analysis completed to identify potential locations in town to guide consider for future housing development This analysis consisted of the following:

1. Interactive Map Comments (Develop Here/Infill Opportunity vs. No Development Here)
2. Bus Stops and Walkshed Analysis
3. Zoning Analysis
4. Deed Restricted Buy Out Property and Large Vacant Parcels

Interactive Map Comment Analysis

As detailed above, Lyons residents were asked to identify areas that they deemed suitable for new affordable housing development – areas where an increase in housing density would be appropriate. The interactive map (Figure 21) received 75 comments in support of housing development with the highest concentration of comments located adjacent to US 36 bisecting the community, the Lyons Dog Park, and the area east of town located at the intersection of US 66 and US 36. Further analysis was explored to understand the overall constraints and opportunities that exist in these areas, ultimately influencing the identified development focus areas detailed at the end of this section.

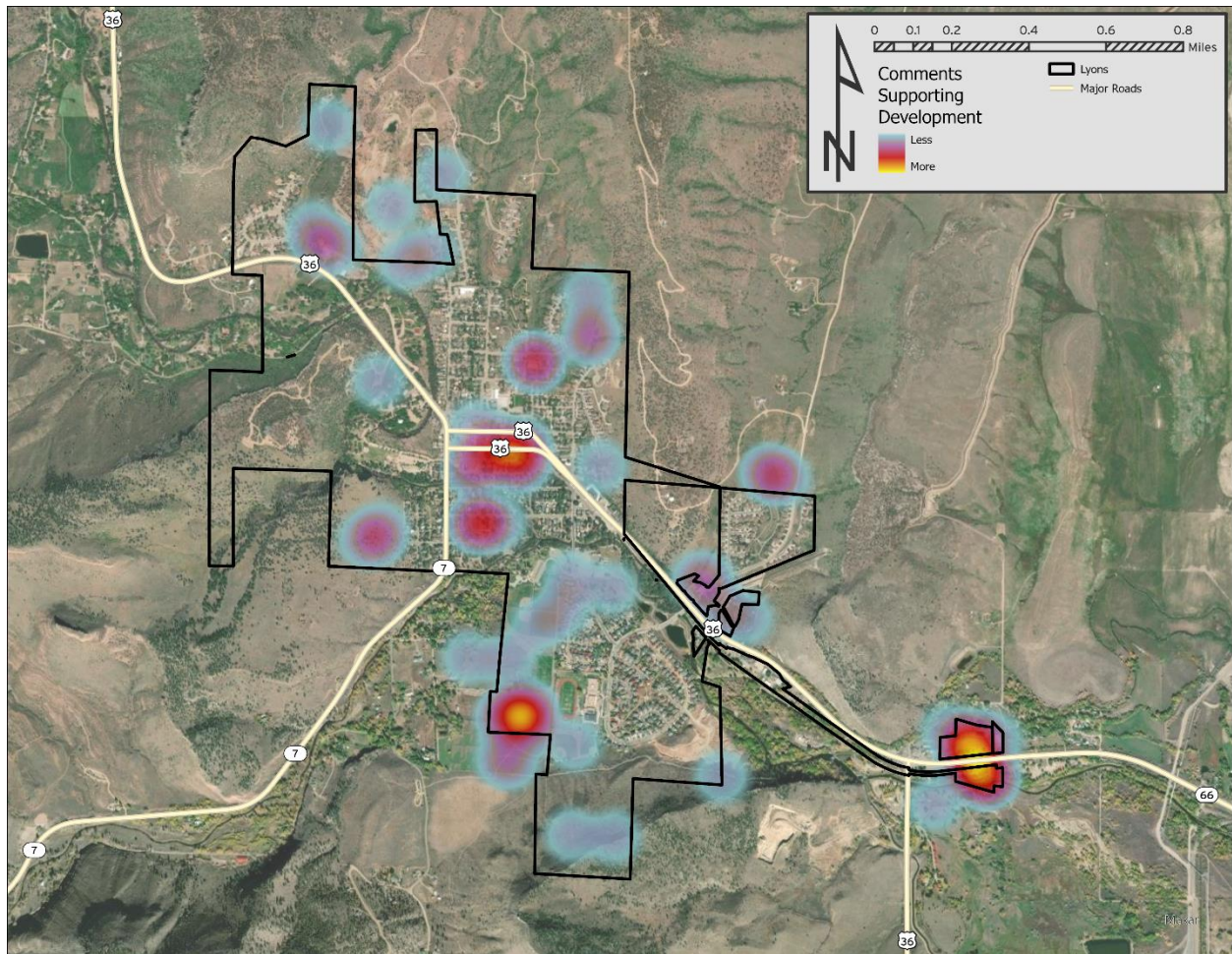


Figure 22: Comments Supporting Development (Source: BHI)

Bus Stops and Walkshed

Currently there are 12 bus stops in Lyons which provide service between Lyons and Boulder along US 36. The Lyons Flyer is free to ride and operates three daily round trips during the morning and afternoon rush hours with service being provided Monday – Friday excluding federal holidays. To better align with future funding opportunities and State housing goals, it is recommended that the Town consider locating future development near existing transit stops. Figure 23 below, outlines the 0 to 5 minute, 5 to 10 minute, and 10-to-15-minute walkshed from each transit stop, factoring in the current roadway network. As the future housing development is incentivized and further supported by the Town, if transit access and regional commuting is deemed an important factor for housing location consideration, the Town should consider directing development within the locations indicated on the map in Figure 23 below:

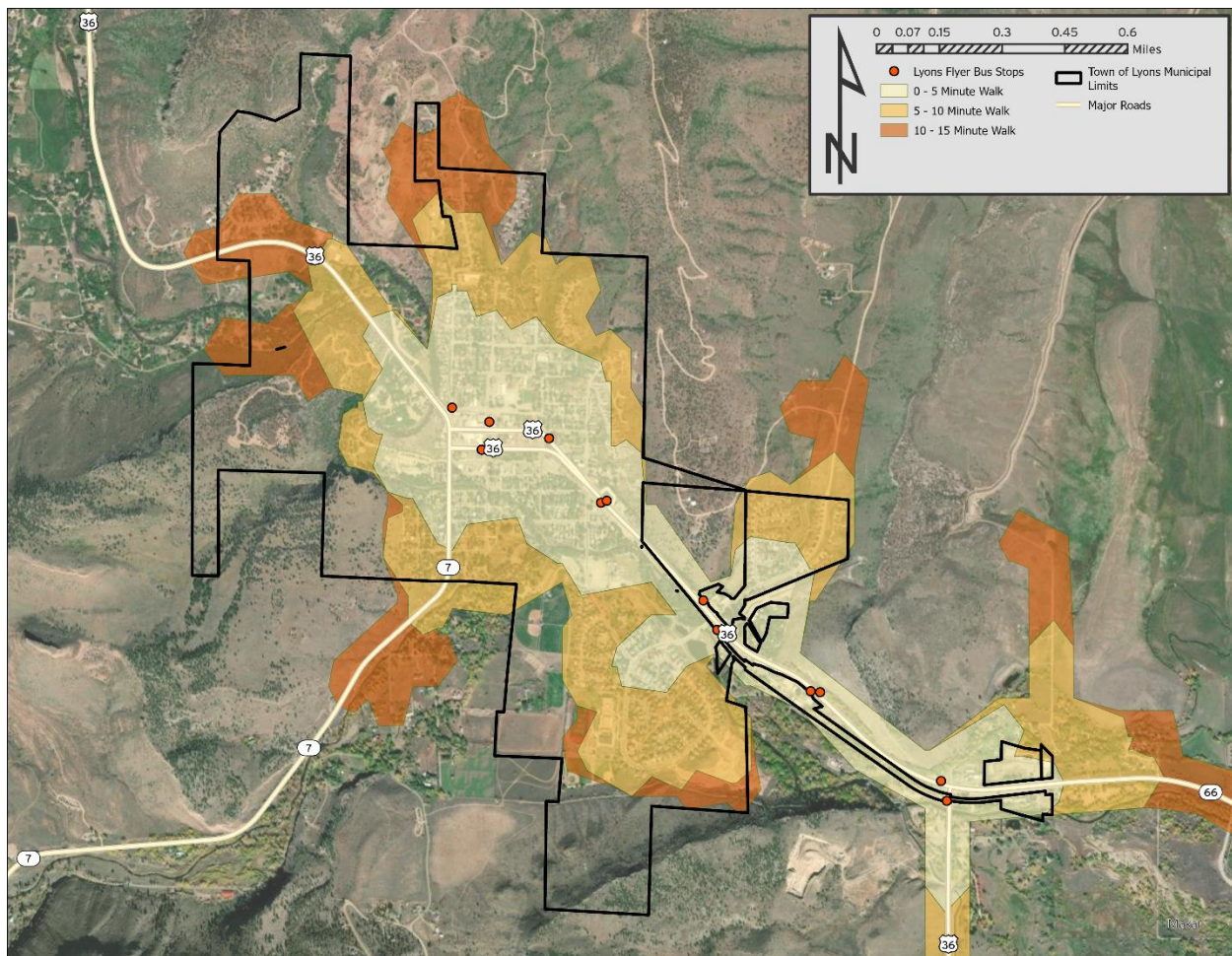


Figure 23 Transit Station Walkshed Analysis (Source: BHI)

Zoning

Presenting as both an opportunity and constraint, the Lyons zoning code will ultimately dictate where and what type of housing can be built. Based on the analysis of the current requirements within each residential zoning district, a relatively small number of parcels exist that are zoned for medium - high density residential compared to low density (single-family homes). This imbalance in the code is illustrated in more detail in Table 5 (page 25), however, it can also be seen in the zoning map provided in Figure 24 below. The key takeaway with this analysis is that to increase the availability of land for more dense residential development that accounts for a variety of housing types, the R-1 residential zoning district should be amended to either adapt and include more flexibility for increased density as included in the R2, R-2A or R-3 areas, or allow for more housing density in general. It should be noted that communities that see the largest increase in housing development are those that significantly modify their zoning code to decrease their reliance on the single-unit detached housing type.

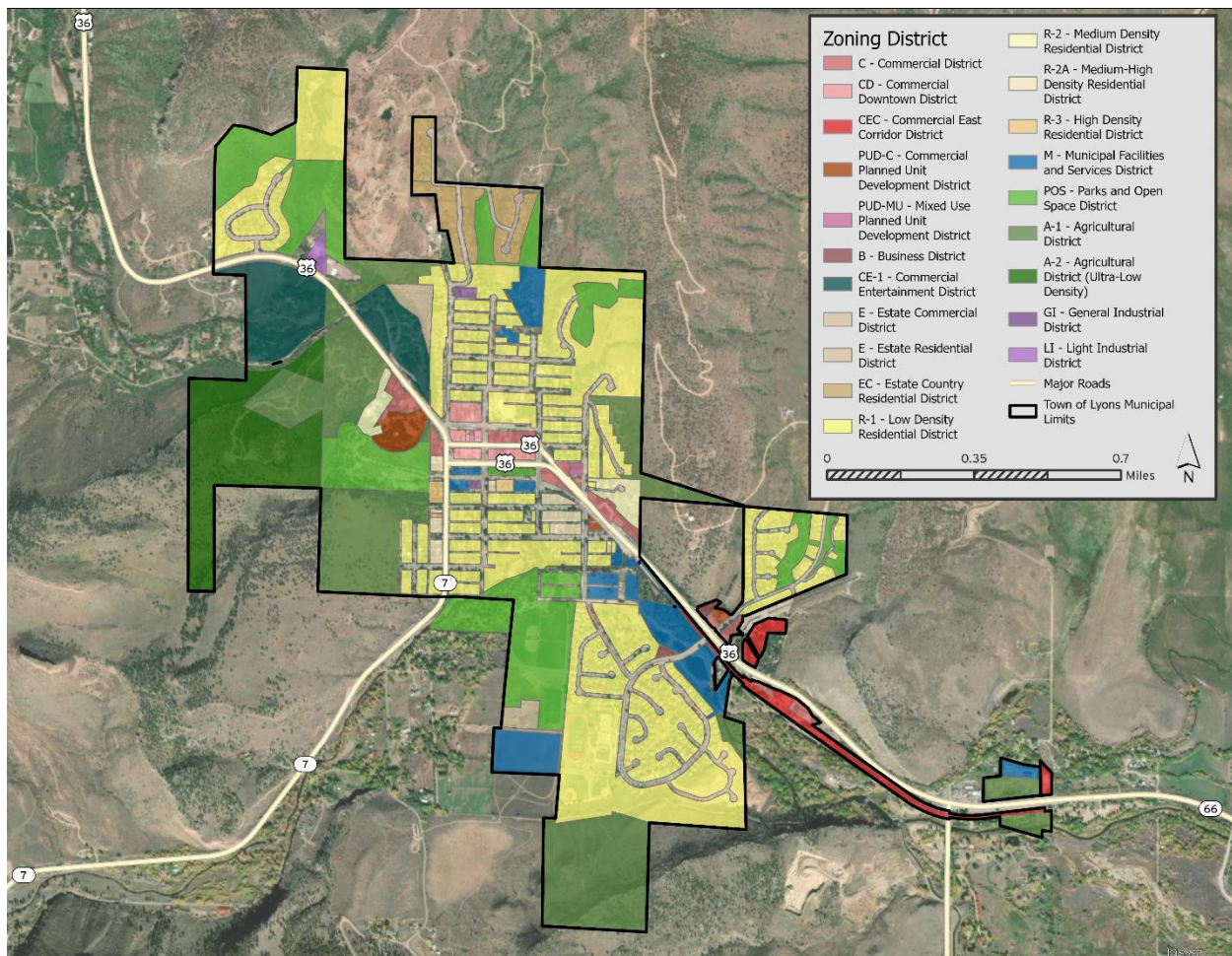


Figure 24 Town of Lyons Zoning Map (Source: Town of Lyons)

Deed Restricted Buy Out Property and Large Vacant Parcels

As noted in the 2017 Land Use and Management Plan for Deed Restricted Buy-out Properties (DRBOP), *"The historic flood of September 2013 devastated the Lyons community. More than 200 homes were damaged or destroyed in Lyons, many never to be rebuilt. As a result, the Town of Lyons acquired 27 former residential properties with federal funding. Funds were also used to remove flood damaged structures and mitigate the impact of future floods. These 'buy-out' properties are earmarked as open space or recreational lands in perpetuity."*

An opportunity that developed during the initial phases of this project centered around the potential to utilize DRBOP to support future housing development needs in the community. The last sentence of the quoted paragraph above adds difficulty in this analysis. Given that the DRBOP properties were specifically impacted by the 2013 flood the potential to use them for new housing shifted to the potential to leverage this "newly created" open space to free up other available land in the community for housing needs.

Figure 25 below highlights the DRBOP and Town-Owned vacant parcels that could potentially be utilized to support housing needs in the future. It is important to note that any DRBOP property within the regulatory floodway cannot be considered as an option to fill this identified opportunity. However, given the updates to the Town's Flood Insurance Rate Map, it may be possible to coordinate with FEMA to remove the deed restrictions in the .02 and the .01 flood zones to create land opportunities for affordable

housing development. It is highly likely that if the deed restrictions can be removed, that some sort of subsidy (possibly through Prop 123 funding) would need to be developed to address any additional costs associated with construction in these areas.

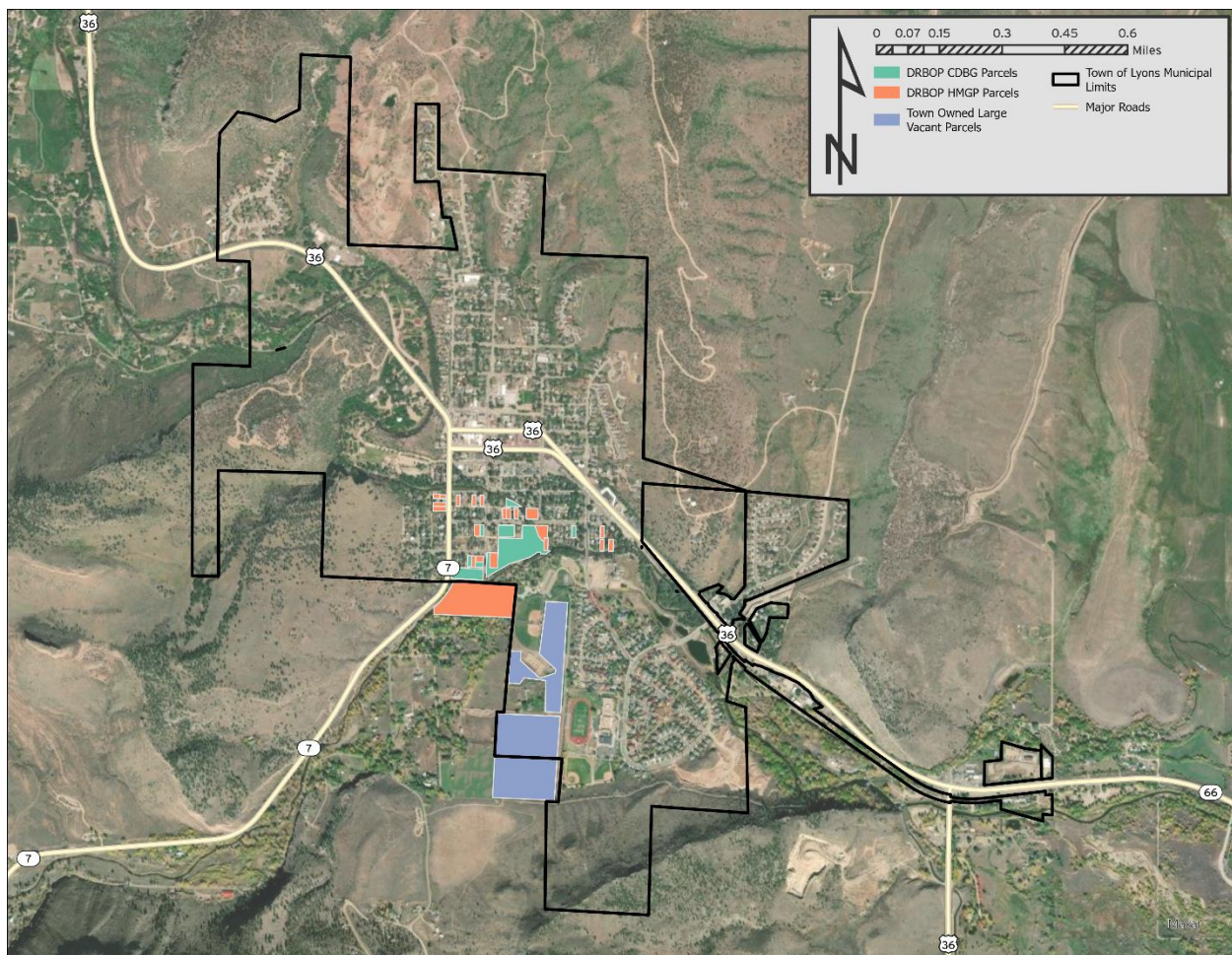


Figure 25 DRBOP and Vacant Town-Owned Land (Source: Town of Lyons)

Constraint Analysis

No Development Here!

In contrast to the identification of areas suitable for more residential density, residents were also asked to leave comments and identify areas they deemed unsuitable for increased housing development. The interactive map recorded 38 comments identifying areas as such which focused on the west side of the end of Longs Peak Dr. and the Lyons Dog Park. There were several areas, such as the Dog Park, which residents seemed to have conflicting opinions. As the analysis for this project took shape, these conflict areas became less ideal for the prioritization of housing in these areas.

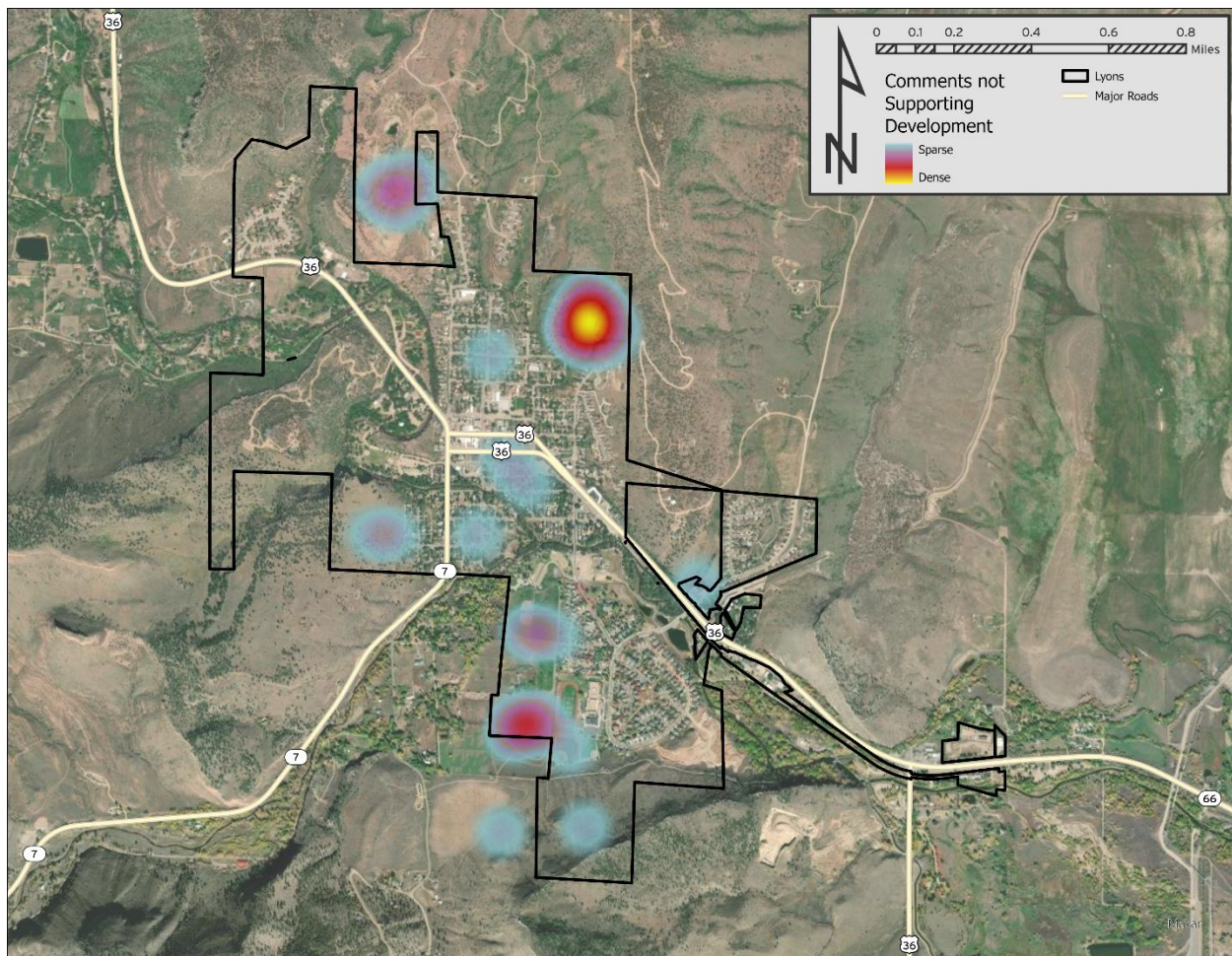


Figure 26: Comments Not Supporting Development (Source: BHI)

Floodplain

As noted previously regarding the DRBOP analysis, one substantial contributing factor to constraints on new development in Lyons is the floodplain. While development can technically take place within the floodplain it presents challenges that often make development more expensive in the long run, thus negating any potential affordability opportunities that could be realized in these areas. Figure 27 below illustrates the regulatory floodway, the 100-year flood hazard area, and the 500-year flood hazard area.

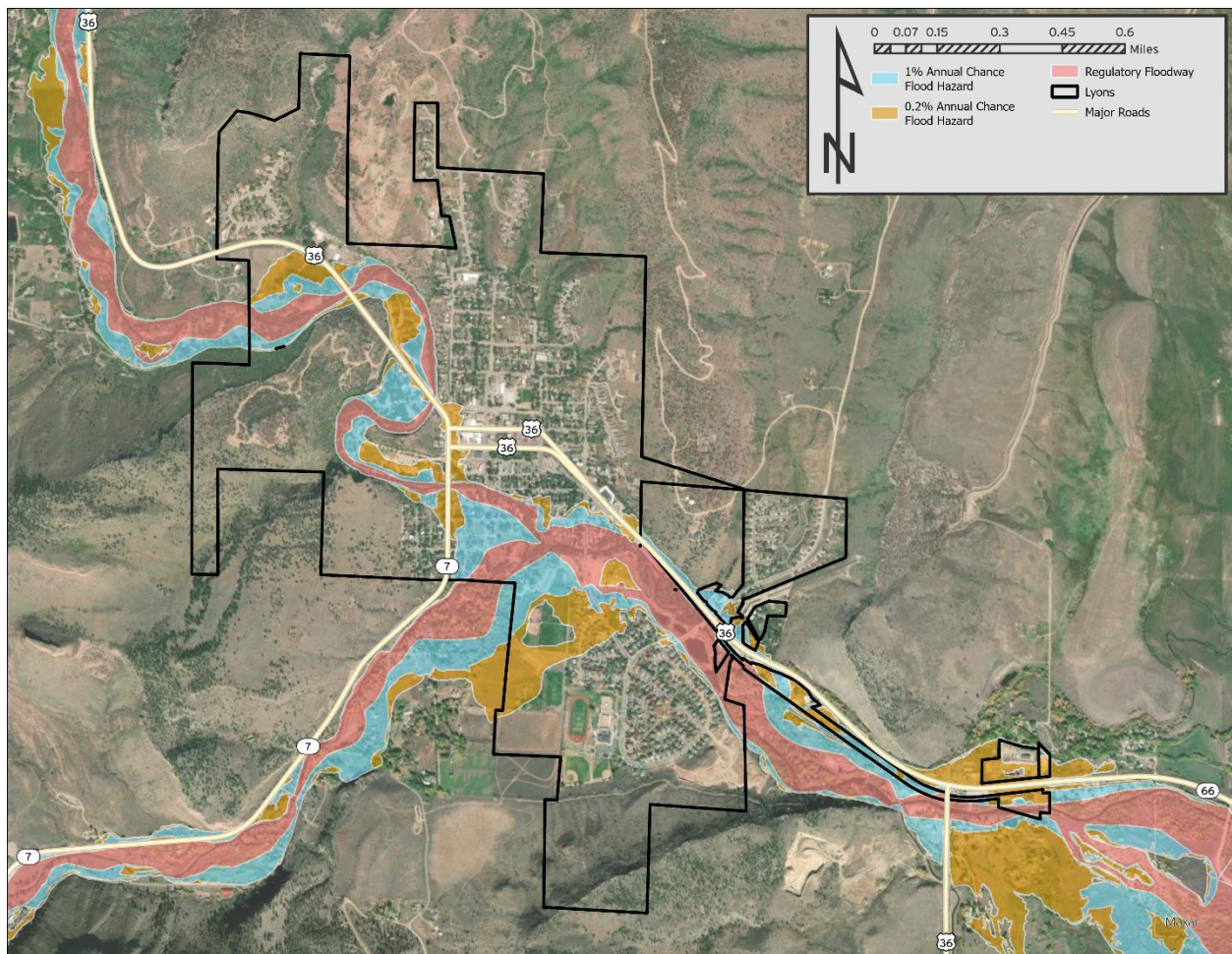


Figure 27 Floodplain Map(Source: Town of Lyons)

Density Analysis Outcomes

Considering the analysis presented in the preceding subsections, this section summarizes a key limiting factor that needs to be addressed to adequately support and incentivize housing development in the town – not to mention focus this development in preferred and appropriate areas of the community.

Community-directed Focus Areas

Leveraging input from the interactive map, the project team utilized the substantial input on locations in the community that are more appropriate for increased housing density to develop a suitability model to guide the identification of areas to prioritize in the near future. This model (see Figure 28 below) not only spatially/geographically identifies locations in the community to focus housing development, but also aids in further analysis and potential policy direction because of this plan.

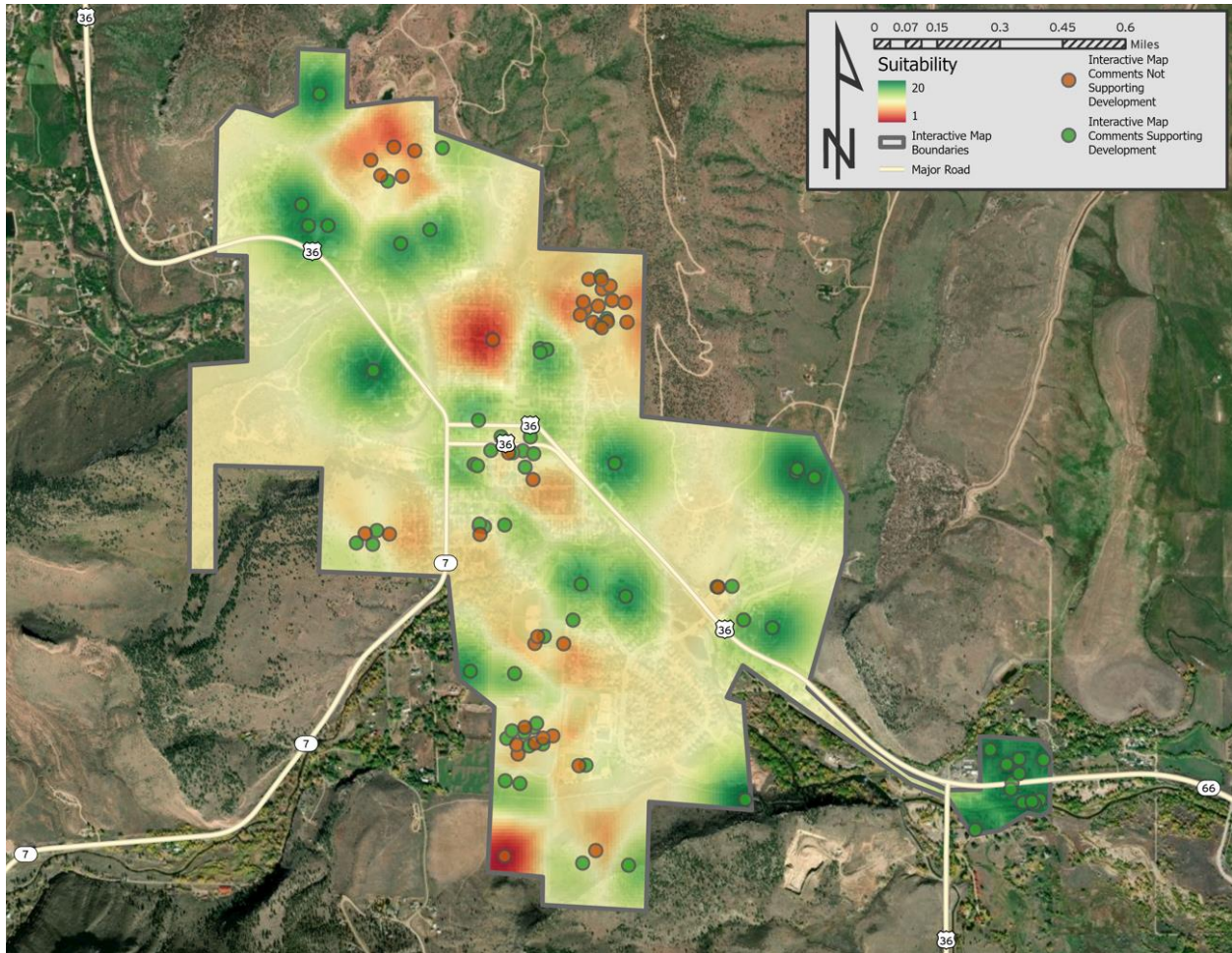


Figure 28 Housing Development Suitability Model (Source: BHI)

It is important to note that the basis for this analysis was community input (see the interactive map included at the beginning of this section).

Leveraging this model, associated parcels and assigned zoning requirements were further analyzed to determine potential opportunities for policy-level recommendations to incentivize and direct diverse residential development. The results of this analysis produce the following map in Figure 29. This analysis selects parcels adjacent to the identified priority areas indicated in the suitability data and assigns a suitability score to each. Leveraging this information, the project team was then able to provide a breakdown of residential zoning type by suitability as an outcome of this analysis. While the map and the underlying data provide specific geographic locations, the correlation between each parcel and the associated zoning district are illustrated in Table 6 on the following page.

Based on this analysis, 837 residential zoned parcels were identified with a suitability score varying from 0 to 20 with 20 being most suitable and closer to the points identified by the community responding to the interactive map. While many of these parcels are improved and currently consist of housing, the fact that 92% of them are in the R-1 district signifies the need to adjust the allowable density levels of that district to allow for increased housing development of a variety of types. See the following figure and table for context.

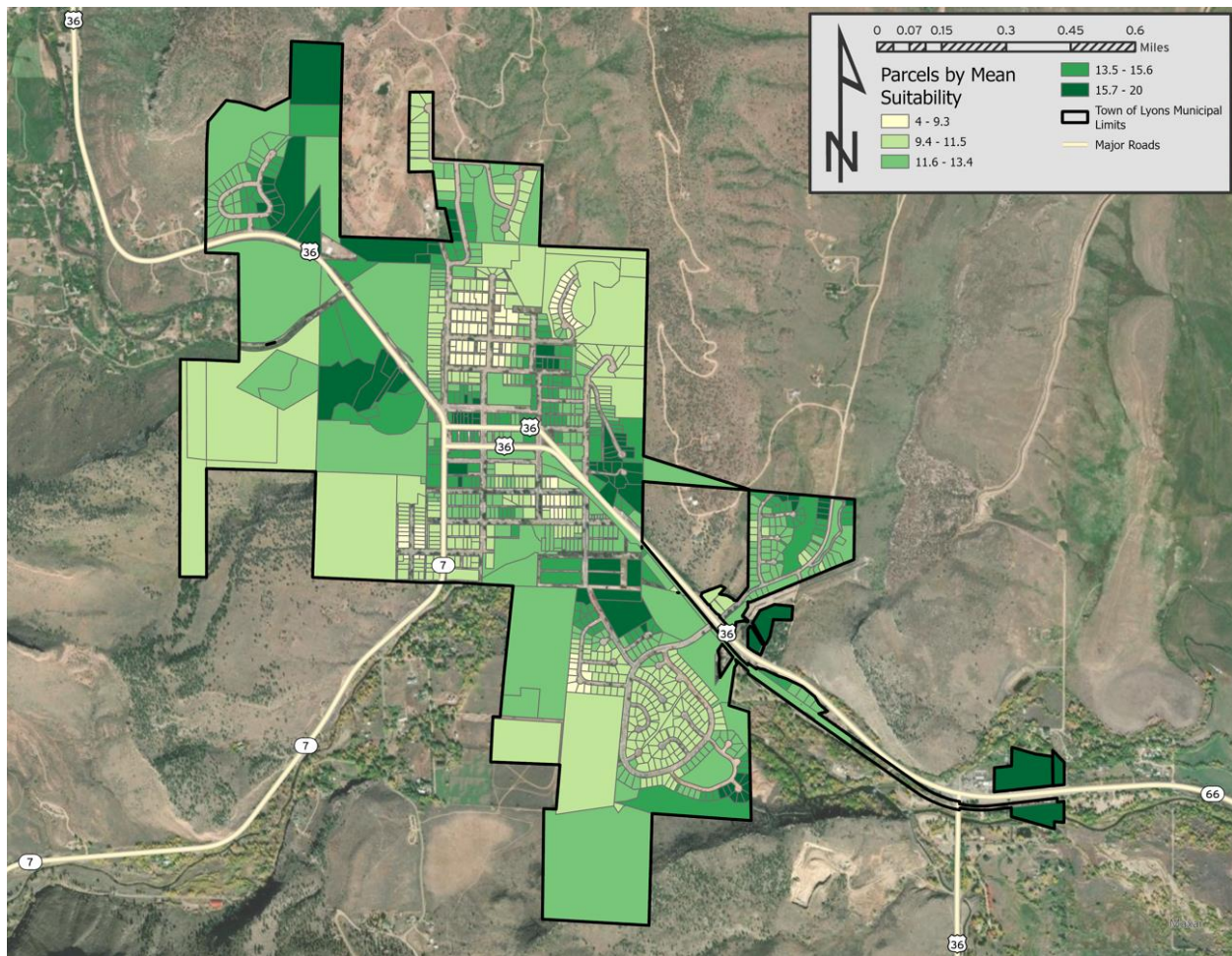


Figure 29 Parcel Identification by Suitability Analysis (Source: BHI)

Residential Zoned Parcels by Mean Score				
Mean Score	R-1	R-2	R-2A	R-3
0-4	-	-	-	-
4-8	40	-	-	-
8-12	406	-	32	3
12-16	269	4	6	16
16-20	52	9	-	-
Totals	767	13	38	19

Table 6 Residential Zoned Parcels by Mean Score (Source: BHI)

Part 4 – Housing Vision, Goals

Town of Lyons Housing Vision Statement

A key outcome in the development of the Housing Futures Plan for the Town of Lyons was the development of an overarching housing-specific vision statement to help guide the community as housing development and associated policies and support systems are developed into the near future. The statement provided below, has been adapted based on input from the project team, community input/sentiment, and housing-related outcomes contained in the *Lyons Thrive!* Comprehensive Plan.

“Support and sustain the development of diverse housing options for the Lyons community (current and future) that supports attainability and affordability needs.”

Vision Statement Considerations and Associated Affects

A housing vision statement is important for a community to develop for several reasons. The following are general considerations and associated community effects that were considered in the development of the vision statement provided above.

- A vision statement provides **guidance and direction**: A vision statement is a concise description of the community's aspirations and goals related to housing. It serves as a guiding statement that helps decision-makers, planners, and community members understand the desired direction for housing development.
- It supports **long-term planning**: Housing development is a long-term process that requires careful planning. A vision statement helps communities set long-term goals for housing and provides a foundation for the development of comprehensive housing plans and policies.
- It supports **community quality of life**: Housing is a fundamental aspect of a community's overall quality of life.
- It supports **economic development**: Housing development is closely linked to economic growth. A vision statement related to housing can attract investment, encourage business development, and contribute to the overall economic well-being of the community.
- The incorporation of **social equity**: Housing vision statements can address social equity concerns by advocating for affordable housing options, inclusive community planning, and efforts to reduce housing disparities. This helps ensure that housing opportunities are accessible to people of diverse backgrounds and income levels.
- Adjust and maintain the **regulatory framework**: The vision statement can influence the development of regulatory frameworks and zoning ordinances. It provides a foundation for creating policies that align with the community's long-term vision for housing.

In summary, a housing vision statement is a vital tool for community development, providing a high-level roadmap for housing-related decisions, fostering community engagement, and contributing to the overall well-being and sustainability of the community.

Town of Lyons Housing Goals

As mentioned, the *Lyons Thrive!* Comprehensive Plan was a starting point for the development of the vision statement for the community. As such, the comprehensive plan also provided the backdrop in the extrapolation of housing goals for the community. The following set of goals are listed verbatim from the comprehensive plan to help guide ensuing efforts in the community as they relate to this plan.

Aspirational Goals – Lyons Thrive! Comprehensive Plan

1. Encourage a diversity of housing options to meet the needs of a dynamic population. (HN-1)
2. Expand and preserve workforce and affordable housing options. (HN-2)
3. Promote safe, stable, and diverse neighborhoods. (HN-3)

However, this set of housing goals does not go far enough in setting a baseline or addressing a quantifiable amount on how to overcome the current housing pressures facing Lyons. As part of the Housing Futures Plan a set of additional housing goals were established to help supplement the Lyons Housing Vision Statement and act as a measurement of success. These goals are based on the outcomes included in Part 1 of this plan.

Numerical Goals – Housing Futures Plan

Proposition 123 Commitment

1. The Town of Lyons will increase the number of existing affordable housing units by three units per year (10 over the three-year commitment timeframe).

2030 Housing Goals

1. The Town of Lyons will support (approve) the development of at least 73 owner-occupied housing units by 2030*
2. The Town of Lyons will support (approve) the development of at least 25 renter-occupied housing units by 2030*

2050 Housing Goals

1. The Town of Lyons will support (approve) the development of at least 230 owner-occupied housing units by 2050*
2. The Town of Lyons will support (approve) the development of at least 112 renter-occupied housing units total by 2050*

Overarching Affordability Goal

1. The Town of Lyons will prioritize and support affordable and attainable housing development across all housing types that target affordability levels below 120% AMI.
 - a. Affordable Housing: 80% or lower
 - b. Attainable Housing: 80% to 120%
 - c. Household affordability: no more than 30% of gross monthly household income

*See Table 4 in [Part 2](#) of this plan.

While aspirational, the additional housing goals represent a realistic representation of Lyons' current population and household growth rate extrapolated into the future and the amount of additional housing that will be required to accommodate this potential growth. These goals are "ideal" in that they are something to aim for. If the 2030 goals indicated herein are not met, growth will not be realized, and stress associated with the housing market will be further exacerbated.

Part 5 – Recommendations/Strategies

Introduction

Bringing together the outcomes from the community housing profile (Part 1), the density analysis (Part 2), and the vision/goals (Part 3), a subset of recommendations and associated strategies have been identified to support two aspects of housing development in the community, 1) increased housing development, and 2) support for affordable and attainable housing development.

The following recommendations leverage the results of the density analysis by seeking to increase the overall housing stock and increasing density in areas that were identified by the community. Additionally, these recommendations act as pillars which can support the Town of Lyons Housing Vision Statement by providing strategies for how to achieve the vision and goals set forth in this plan. There are two main avenues to achieve success, 1) specific qualifying strategies from the Department of Local Affairs' (DOLA) Innovative Affordable Housing Strategies (IHOP) Planning Program (which provided supporting funding for this plan), and 2) from requirements and opportunities associated with Proposition 123.

Qualifying Strategies

To support community efforts in identifying policy changes to support an increase in affordable housing development, DOLA has provided guidance documents for qualifying strategies associated with the IHOP planning grant program. These strategies are intended to support local governments searching for additional ideas to help achieve their local land use goals related to affordable housing. The full list of DOLA-provided qualifying strategies is located on the Department of Local Governments website (<https://dlg.colorado.gov/innovative-affordable-housing-strategies>) of which, formed the basis of this plan's investigation into what strategies would be most appropriate and effective for the Town of Lyons.

Town of Lyons Prioritized Housing Strategies

The following section outlines prioritized identified housing strategies the Town of Lyons should consider implementing to address housing needs in the community as outlined in this plan. Strategies are separated between short-term (immediate) and general strategies, with each containing a justification and some detail on the process(es) to consider for implementation. Resources for each identified strategy are listed at the end of this section for future reference and implementation assistance.

Short Term Strategies – immediate implementation consideration

Strategy 1: Promote Affordable and Flexible Housing Types

Justification: As shown in the analysis included in this plan, the predominant residential building type in Lyons is the single-unit detached unit. Inducing a variety of housing types within currently zoned residential areas can have a drastic effect on the affordability of units.

How: It is recommended that the Town consider implementing policies and programs that (These policies align with those adopted by DOLA):

1. Allow middle multifamily housing units as a use by right in single family residential zoning districts.
2. Allow affordable and attainable housing as a use by right in residential zoning districts.
3. Allow small square footage residential unit sizes in residential zoning districts.
4. Update the Town's current Accessory Dwelling Unit requirements in Sec. 16-10-70 to allow detached ADUs as a use by right with administrative review rather than by conditional use review.

Potential Steps:

1. Define the overall affordable program criteria for the Town of Lyons. This criterion will be used to gauge development proposals and the incentives that may be provided. Considerations may include:
 - a. What levels of affordability (% of total units, Area Median Income level, length of affordability, etc.) must be provided.
 - b. Are the guidelines set for affordability or negotiated on a case-by-case basis?
 - c. What zone districts the incentives apply to.
 - d. Conditions to ensure long-term affordability.
2. Consider amending the residential zoning districts (R-1, R-2, R-2A, and/or R-3) to allow for middle multifamily housing by right.
3. If a general amendment to the residential zoning districts is untenable, consider an affordable housing overlay zone that allows middle multifamily housing types by right in focused areas as identified in the density analysis of this plan.
4. Consider amending residential zoning districts to allow for smaller lot sizes and lot coverages. It is recommended that the Town consider adopting maximums or removing minimums in general from all residential zone districts, however, this could be done in a phased approach – adjust minimums in the R-3 district to begin with and incrementally adjust the R-2A, R-2, and eventually the R-1 district.

Note: The greatest impact, however, is likely in the adjustment of requirements associated with the R-1 district as this zoning category makes up the largest residential land area in the community and was identified as conflicting with areas of the Town identified for an increase in housing density. See Part 2, Density Analysis for further guidance.

5. Consider updating the Town's current ADU requirements in Sec. 16-10-70 to allow detached ADUs as a use-by-right with administrative review in all residential zoning districts.

Note: understanding that R-2/A and R-3 districts are intended to be higher density, and thus, lot sizes may be smaller, investigate the ability for a detached ADU to conform within these districts. At a minimum consider allowing detached ADUs by right in the R-1 zone district.

Strategy 2: Expedite Housing Development Review

Justification: Expedited development review can play a crucial role in supporting housing development in a community by streamlining the approval process and reducing the time and costs associated with bringing new housing projects to fruition. The following bullet points outline the potential added benefits of implementing an expedited development review process.

- Faster approval processes allow developers to start and complete projects more quickly. Speeding up the process helps to address housing shortages more promptly, meeting the increasing demand for housing.
- Accelerating the approval process can significantly reduce project costs associated with prolonged timelines. Developers may be more willing to invest in housing projects if they can anticipate a quicker return on investment.
- A streamlined and efficient development review process can make a community more attractive to developers and investors.

- Faster development processes can lead to quicker job creation, benefiting the local economy. Additionally, the construction industry and associated sectors can thrive with a more efficient and predictable development review system.
- Expedited approval processes can contribute to a more balanced housing market, potentially stabilizing or reducing housing prices for those that are in the highest-need category in the community.
- Communities can utilize expedited reviews as leverage to encourage developers to contribute to affordable housing initiatives.

While expedited development review can offer numerous benefits, the Town must balance efficiency with thoughtfulness. The Town of Lyons should consider developing a process that is both fast and ensures the project aligns with the long-term goals, and vision outlined in this plan.

How: It is recommended that the Town consider the following in outlining an expedited development review process:

1. Determine the eligibility and affordability criteria that must be met to qualify for an expedited review. Is an expedited review process followed as-of-right, or on a case-by-case basis. Is it an incentive for providing affordable housing or for all housing types?
2. What staff/process needs will be required to ensure an expedited development review process can be followed.
3. If necessary, apply for a DOLA Local Planning Capacity Grant to facilitate/augment staff capacity to ensure that an expedited development review process can be maintained.

Strategy 3: Implement a Density Bonus Program

Justification: As outlined in DOLA's Density Bonus Program fact sheet (https://drive.google.com/file/d/1PGDgEt-qsqyv3cfsR0WUG6O_6mTRFEGJ/view), density bonuses improve affordability both directly by providing income-restricted units and indirectly by adding to a community's overall supply. Generally, density bonuses allow for more housing units to be built on a specific site than would otherwise be allowed under standard zoning district regulations in exchange for the inclusion of income-restricted units or other agreed-upon public goals. Given the outcomes of the Density Analysis outlined in Part 2 of this plan, it is recommended that the Town of Lyons consider the implementation of a density bonus program to support increased affordable and attainable housing development.

How: Density bonuses can take the form of an increase in floor area ratio, greater building height/additional stories, smaller unit sizes, different unit types (e.g., fourplexes on a single-unit detached lot), or flexible setback requirements. Ultimately, for every affordable unit a developer includes, they can add a specified number of market-rate units. It is recommended that the Town consider the following program attributes when developing and implementing a density bonus program.

1. Define the program's purpose. The program should be tied to the goals and policies of a community's housing needs assessment and comprehensive plan. It is important to outline opportunities in the community to absorb increased density, and what types of affordable and attainable housing are needed – each outlined within this plan and connected to goals and objectives detailed in the *Lyons Thrive!* Comprehensive Plan.
2. Define the program's criteria. As noted in the previous strategy recommendations, the Town must determine the following:

- a. Household income levels that must be served for the developer to be eligible for the incentive (e.g., must serve households at or less than 100% AMI);
- b. Proportion of units in the development that must be affordable (programs typically range from 5% to 20% of units designated affordable);
- c. Length of time that affordable units must remain affordable (typically, terms range from 15 to 60 years);
- d. Whether density bonuses can be applied to different types of tenure (e.g., rental vs. for-sale) and different types of property (e.g., multifamily vs. single-unit);
- e. Whether bonuses can be applied to new construction and/or rehabilitation or redevelopment of older buildings; and
- f. How the program will be administered and monitored.

General Strategies

Strategy 4: Use Vacant Publicly-Owned Property for Affordable Housing Development

Justification: As outlined in DOLA's Publicly-Owned Vacant Land fact sheet (<https://drive.google.com/file/d/1mgaJbBSAMkvCbYvVSpZj-77HTfZBVOqZ/view>), the use of publicly-owned land for affordable housing can help ensure that communities can provide housing options for lower-income and moderate-income households, particularly in communities with constrained opportunities for development and high land costs. Communities with an inventory of land can provide these parcels to private and nonprofit developers at low or no costs in return for the developer's commitment to provide housing that meets specific affordability requirements. As outlined in the Density Analysis section of this plan, there are several areas throughout the community that residents identified as appropriate locations for increased housing development – many are clearly contentious, but some include a majority in support of development. These areas coupled with other locations that are already identified as open space in perpetuity (DRBOP areas), could provide the balancing mechanism to support such a program.

How: It is recommended that the Town consider the following when developing a vacant public land program.

1. Identify the scope of the program. Who is a potential partner in the program (e.g. school district, county, etc.), and what types of affordable housing units are needed (see Part 1 of this plan)?
2. Develop a surplus land inventory. Leverage the data already on hand to expand the known inventory of vacant/surplus land and consider adding or removing parcels on an annual basis and including other potential unused sites.
3. Define the program criteria. Follow the process outlined in the previous strategies to outline the requirements of the program, while also considering the following:
 - a. Project criteria that developers must agree to provide to be eligible to buy land (e.g., density levels, percentage of affordable units, affordability desired, duration of affordability, etc.)
 - b. Criteria stipulating the potential future sale of the land and what happens when it is sold at fair market value, as opposed to discounted or provided at no cost. For example, does the Town maintain the right of first refusal?

Strategy 5: Reduce Development-related Fees

Justification: The reduction or elimination of development-related fees can be effective at incentivizing affordable housing development. Ultimately, this incentive can make a developer's project more financially viable, potentially ensuring assumed affordability can be maintained. While a small outcome

of several discussions, the possibility of considering a renegotiation of water requirements was brought up as a significant barrier to development.

How: Coordinating with Boulder County is the first step to begin conversations with Boulder County on the fees associated with procuring water for development in the town. Additionally, supporting upcoming planned legislation at the State level to manage water requirements in annexation procedures could be an associated and ongoing tactic to develop relief mechanisms within this strategy.

Strategy 6: Incentivize the creation of accessory dwelling units on previously developed residential parcels.

Justification: Incentivizing accessory dwelling unit (ADU) development can contribute to supporting affordable housing in a community in a variety of ways. ADUs add to the overall housing supply in a community, providing more options for residents, which can help address housing shortages and reduce competition for existing housing units – potentially stabilizing or lowering rental housing prices overall. ADUs often serve as smaller, more affordable rental units which are typically more cost-effective to build and can provide housing options for individuals or small families. Additionally, homeowners who build and rent out ADUs can generate additional income, making it more financially feasible for them to stay in their homes – this can be particularly helpful for older homeowners or those on fixed incomes. Lastly, ADUs offer a range of housing options, from small studios to two-bedroom units. This induces a mix of housing types that can better accommodate a variety of demographic needs and preferences.

How: The following list includes options the Town should consider in implementing a program or set of policy updates to incentivize the creation of ADUs on existing single-unit residential properties.

- Waive ADU-related development fees.
- Identify (potentially through Prop 123 funding) and provide financing for homeowners. For example, the Accessory Dwelling Unit Grant Program in California provides grants for predevelopment costs and non-recurring closing costs to support ADU development.
- Continue to reform the Town's ADU requirements. Potential areas of opportunity include removing the owner occupancy requirement on the parcel (as the Town of Nederland did through Ordinance 850 on December 5, 2023), or allowing more than one ADU per parcel (regardless of lot size if the development can adhere to zoning requirements).
- Provide technical assistance through the development of Town-approved ADU manuals detailing the regulatory, design, and project management process for ADU projects.
- Develop pre-approved ADU project templates as a "ready to build" option.
- Develop and implement a community education campaign to inform the community on the benefits of developing ADUs in the community.

Proposition 123 – Colorado's Affordable Housing Financing Fund

Proposition 123 was passed by Colorado voters in 2022 and authorizes the State to retain money from existing state tax revenue to support affordable housing investment. The ensuing program dictates that 40% of collected funds go to the Affordable Housing Support Fund which is administered by the Department of Local Affairs and the remaining 60% to the Affordable Housing Financing Fund, which is overseen by the Colorado Office of Economic Development and International Trade with the Colorado Housing and Finance Authority being the third-party administrator. To receive funding through Proposition 123, local governments must commit to growing their affordable housing stock by 3% per year and an expedited review process for affordable housing developments. During the development of

this plan, the Town of Lyons made this commitment to not only meet the affordable housing increase requirement but to be eligible to obtain funding through the program.

The immediate intersection between the qualifying strategies listed above and the Proposition 123 requirements falls within the expedited review process strategy. This strategy is a requirement of the Prop 123 program and is key short-term strategy recommended for implementation within this plan.

Opportunities for implementation support through Prop 123

Proposition 123 provides a variety of funding opportunities that support local implementation of housing strategies to alleviate local housing affordability issues. These opportunities are outlined briefly below, however, more information can be located on DOLA's Proposition 123 Implementation program webpage: <https://engagedola.org/prop-123>.

- Up to \$43.5 million annually (estimated) for land banking – Local governments and nonprofit developers can receive loans to purchase land for future projects. Loans are forgiven if affordable housing projects are started within a decade.
- Up to 121.8 million annually for grants for financing low- and middle-income multi-family housing, as well as programs providing direct support to renters.
- Up to \$60.9 million for debt financing for projects that qualify for affordable housing tax credits, as well as for modular and factory-based housing builders.
- Up to \$58 million for grants and loans for nonprofits and community land trusts that help people purchase homes, as well as funding for mobile home community residents who want to purchase the parks where they live.
- Up to \$52.2 million for programs for people experiencing homelessness or at risk of it, including rental assistance, housing vouchers, eviction defense and housing development.
- Up to \$5.8 million to help local governments process applications and plans for housing projects – Local Planning Capacity Grant Program noted in Strategy 2 above.

Appendix: Resources and Case Studies

The content provided herein is included in the plan to support future implementation efforts. A driving factor of this plan's development was to ensure implementation – to develop opportunities for change that result in successful outcomes in affordable housing development for the Town of Lyons. This can only be achieved when recommendations are paired with implementation actions and examples to reference. The examples provided herein relate specifically to the strategies identified in Part 5 of this plan and are meant to provide examples of implementation efforts in other communities throughout the Nation. It should be noted that all community types and sizes were included in this list, with the assumption that similar policy-related efforts could be tailored to fit Lyons' need no matter the example context. Thus, adjacent communities such as Longmont and Boulder are included, as are Denver and Austin, to name a few.

Use of vacant publicly-owned property for affordable housing development

City of Denver, CO - [City of Denver Housing an Inclusive Denver Strategy](#)

Mayor Hancock's 2016 update to the Executive Order on City-Owned Land and Leased Real-Estate (Executive Order 100) aims to inform the use of City-owned property, including acquisition and disposal. The order directs the Division of Real Estate to coordinate with Community Planning Development and Office of Economic Development staff to evaluate the appropriateness of affordable housing when disposing of City-owned property. The city and its partners should conduct a comprehensive analysis of the City's land inventory and its suitability for affordable housing development. The updated dataset should be evaluated based on individual parcels' proximity to transit and other neighborhood indicators. The City and its partners should also develop partnerships with public or quasi-public landholders to prioritize affordable and mixed-income housing on existing vacant or underutilized parcels. The analysis should consider potential environmental and health impacts and appropriate regulations to ensure human health protection.

- Key Actions:
 - Explore formal partnerships with public and quasi-public agencies to prioritize and set specific standards for use of publicly owned land for affordable housing.
 - Evaluate the suitability of City-owned land and land owned by public or quasi-public partners for affordable housing development per factors such as its proximity to transit and other neighborhood indicators as outlined in this plan.
 - Develop specific visioning and procurement processes to identify development partners to build affordable and mixed-income housing on public and quasi-publicly owned land.
 -

King County, WA - [Ordinance 12394](#)

Ordinance 12394, passed by King County, WA in 1996, requires any surplus parcels determined to be appropriate for residential development be sold or leased for development of affordable housing. The County's Facilities Management division maintains a property inventory of all County-owned sites, including the department that has jurisdiction over the land, the estimated value, and potential uses. Departments are required to provide status reports on all sites on an annual basis; properties that are designated as "surplus" are then subject to further inquiries to determine whether they should be transferred to another department or can be considered for affordable housing. Factors considered when determining viability for affordable housing development include the site's natural features, the underlying zoning designation, and existing linkages to utilities.

Montgomery County, MD - [Bill 37-12](#)

Since the 1980s, the County has actively supported the development of mixed-income housing on county-owned land. Legislation passed in 2013 (Bill 37-12) requires the County to evaluate the feasibility

of including a “significant amount” of affordable housing in proposed capital improvement projects, including an assessment of the site’s proximity to public transit and other community services. Projects covered by the legislation as targets for co-location of affordable housing include public facilities such as libraries, recreation centers, and transit stations. In 2016, for example, a new mixed-use, mixed-income development with affordable senior housing opened adjacent to a new County library.

Washington, DC - [Disposition of District Land for Affordable Housing Amendment Act](#)

Washington, DC’s Disposition of District Land for Affordable Housing Amendment Act requires developers of multifamily housing built on surplus city-owned land to reserve at least 20 to 30 percent of units for low-income households. The specific share of affordable units required is determined on a case-by-case basis, based on the development’s proximity to public transit service. (Parcels that are within one-half mile of a Metrorail station or one-quarter mile of a streetcar line or high-traffic bus route are subject to the 30 percent requirement; outside of these areas, 20 percent of units must meet eligibility requirements.) The Act applies to rental housing and homeownership units, with rental units targeted on low-income and very low-income households (with incomes between 30 and 50 percent of area median income (AMI) and equal to or less to 30 percent of AMI, respectively) and homeownership units targeted on moderate-income households (with incomes between 50 and 80 percent of AMI) and low-income households.

[Subsidize/Reduce Local Government Fees](#)

City of Commerce City - [Fee Waiver](#)

A fee waiver request is a process where a city can grant financial relief in the form of a complete or partial refund of application fees associated with development review applications, such as variances or zone changes. The request is initiated by the applicant or their representative, who believes they meet the Land Development Code’s criteria for approval of a refund. The standard fee must be paid at the time of application and will only be returned if the city determines a waiver is appropriate. The decision-making body responsible for approving or denying the application considers the waiver request in conjunction with the decision on the associated application. The fee waiver request is considered independently and does not affect the outcome of the associated case. The applicant prepares a narrative questionnaire and submits it for review. The decision-making body takes final action on the request and either approves, partially approves, or denies the request. If approved, a refund of application fees is typically issued to the applicant within 2 to 3 weeks.

Austin, TX - [SMART housing program](#)

The SMART housing program in Austin, TX provides a variety of incentives for private developers who create and preserve housing for low- and moderate households and for persons with disabilities. Projects that set aside units as affordable to homeowners and renters earning no more than 80 percent of the median family income (120 percent for owner-occupied units located in certain areas) are eligible for full or partial waivers of 29 separate fees. Fee reductions range from 25 percent for developments where 10 percent of units meet affordability requirements to 100 percent for developments where 40 percent of units meet affordability requirements.

Folsom, CA - [Deferral and Waiver Rules](#)

Folsom, CA allows developers of qualified residential projects to apply to pay impact fees on a deferred basis (up to 15 months from the date of issuance of a building permit). Eligible projects are those in which at least 10 percent of units are affordable to very low-income households or at least 30 percent of units are affordable to low-income households. In addition, payment of specified processing fees may be waived, subject to a cap of \$200,000/year or \$1 million over 5 years. Affordable units must remain affordable for periods of at least 55 years for rental units and 45 years for owner-occupied units.

Expedited Development Review for Affordable Housing

City of Fort Collins, CO - [Expedited Development Review and Permitting](#)

Fort Collins offers development incentives to encourage the construction of affordable housing units. These incentives include Priority Processing, which requires projects to meet specific criteria as defined in the Land Use Code. These include having at least 10% of the total dwelling units affordable to households earning 80% or less of Area Median Income (AMI), paying no more than 30% of their gross monthly income towards rent, utilities, or 38% of their gross monthly income towards mortgages. This expedited development review and permitting process is aimed at reducing developers' costs.

Density Bonus Program

City of Longmont, CO - [Density Bonus Program and Affordable Housing Incentives Program](#)

The City of Longmont's Housing Incentive Program provides incentives to eligible developers and property owners for the construction of affordable units. The program includes development fee waivers, fee subsidies for water/sewer system development, and Electrical Community Investment fees, offsets for cash-in-lieu of raw water deficits, height/density bonuses, lot width reductions, and parking reductions. To receive incentives, housing must be affordable to households at or below 80% of the Area Median Income (AMI) and must be sold for no more than the Maximum Sales Price determined annually by the City. Projects must submit an Affordable Housing Proposal with their first Development Application to the City, which will be reviewed and incorporated into the project's planning process. If approved, the affordable home must be sold to a household at or below 80% of the AMI and for a sales price that meets the City's Affordable Housing criteria.

Arlington County, VA - [Subsection H.7](#)

With approval of the County Board, **Arlington County, VA** allows developers to build at higher densities than would otherwise be allowed for projects that provide housing for low- or moderate-income households. Allowances include increases in building height (up to six stories or 60 feet above the height ordinarily permitted) and in residential density. Density bonuses are determined on the basis of the share of low- or moderate-income units to be provided, the location and size of those units, the amenities to be provided for low- and moderate-income residents, and other factors. Affordable units must remain available for at least 30 years or as approved by the Board.

Austin, TX - various, see below

The City of Austin, TX has ten density bonus programs, which serve as voluntary incentives in light of the state's prohibition on mandatory inclusionary zoning. In 2014, Austin established the Downtown Density Bonus Program, which promotes affordable housing and community benefits agreements. At least 50% of the bonus must be achieved by providing on-site affordable housing or by paying a development bonus fee into the Affordable Housing Trust Fund. The Trust Fund is also financed by a share of the city's property taxes. Developments in Austin must adhere to [Austin's Urban Design Guidelines](#), as well as its [Great Streets Program](#) and a minimum rating on [Austin Energy's Green Building Program](#). [A complete list of community benefits can be found here](#).

Austin, TX - [Affordability Unlocked](#)

Austin also enacted a new density bonus program in May 2019, called "Affordability Unlocked" which provides a two-tiered system that allows developers to choose between the two tiers of affordability which provide for different density bonuses in return. The first tier has requirements for affordability, supportive housing, and elderly housing, and the base zoning height is increased by 1.25 times or up to 6 dwelling units per lot in single-unit zones. Other requirements are waived including design and site requirements. The second tier must be located within a quarter-mile of a transit corridor in addition to affordability.

requirements, and developments are allowed up to 1.5 times the base height with up to 8 dwelling units per lot in single-unit zones.

Middle Multifamily Use By Right in Single Family Residential Zoning District

Minneapolis, MN – [Single-unit Zoning Elimination](#)

In 2020, Minneapolis became the first large city in the country to eliminate single-unit zoning. The Minneapolis 2040 Plan allows two- and three-unit developments to be constructed in every residential zone in the city, and allows for higher-density projects closer to the downtown core. This was made possible in part by a thorough public engagement process that included representation from residents, housing advocates, builders and developers, and business leaders. However, despite the successful implementation of this new zoning code, only three triplex permits were filed in 2020, highlighting the need for a more comprehensive strategy to promote missing middle housing. In the coming years, Minneapolis intends to enact additional strategies to create a regulatory environment that supports missing middle housing development.

Buffalo, NY – [Buffalo Green Code](#)

In 2017, Buffalo, NY implemented a city-wide form-based code known as the Buffalo Green Code, designed to promote walkable, mixed-use neighborhoods. While some areas are still zoned for single-unit homes only, the code expands the range of housing types that are allowable by right in other residential and mixed-use zones to include stacked units, row homes, and carriage homes. These changes have helped facilitate infill development, a major goal of the City's [revitalization efforts](#). Notably, the new zoning code also eliminated [minimum parking requirements](#), a major barrier to development.

Allow Small Square Footage Residential Unit Sizes

Park County, CO – [Minimum Dwelling Size Elimination](#)

The Park County Land Use Regulations have eliminated the previous minimum dwelling size of 600 square feet, and the current code does not specify a minimum square footage. However, the 2012 International Building Code addresses "efficiency dwelling units" in section 1208.4, which requires a living room of 220 square feet with an additional 100 square feet for every occupant exceeding two people. The dwelling must have a separate closet, a kitchen sink, cooking appliance, and refrigeration unit with a clear working space of 30 inches, and a separate bathroom with a water closet, lavatory, shower, and/or bathtub. All light, ventilation, and life safety requirements must be met regardless of the dwelling size. In cases where the efficiency dwelling unit is not part of a multi-unit structure, provisions for mechanical equipment will be required. The minimum dwelling size is not a hard and fast rule, but modular and manufactured dwellings still require a 600 sq. foot footprint at grade level.

Land Donation/Acquisition/Banking Program

City of Fort Collins, CO – [Article XIII Land Banking](#)

This article aims to enable the City to acquire, hold, and sell real property to assist housing providers in providing affordable rental and homeownership housing. The purpose is to ensure that appropriate sites are available for the development of such housing, assist in early identification of sites for affordable housing development, and secure affordable housing sites strategically. The City Manager is authorized to acquire land for the purposes set forth in § 23-350 and perform all acts necessary to effectuate the acquisition, provided that funds have first been appropriated by the City Council for said purpose and that such acquisitions comply with the criteria for acquisition as set out in § 23-352. The acquisition of land pursuant to this Article shall be funded from the Affordable Housing Fund, the General Fund, or other

available funding source. No property or portion of a property acquired pursuant to this Article shall be sold by the City except in accordance with the following criteria:

1. Any disposition/sale of such property shall be to a housing provider legally bound to the City under the terms of such sale, with the restrictions:
 - a. Rental housing shall be restricted to households at or below 60 percent of AMI.
2. The City's conveyance of the property to the housing provider shall be subject to a deed restriction, covenant, or other instrument or instruments as the City Manager, in consultation with the City Attorney, deems appropriate.
3. All land conveyed to a housing provider by the City pursuant to this Article shall be sold to such housing provider at no more than 90 percent of its fair market value as determined by the City.
4. All proceeds of any sale of land in accordance with § 23-354 shall be used for additional land acquisitions in accordance with this Article.

Inclusionary Zoning Ordinance (BH21-1117)

City of Longmont, CO - [Inclusionary Housing Ordinance](#)

Longmont's Inclusionary Housing (IH) Ordinance mandates that 12% of units in new residential developments must be affordable to low- and moderate-income buyers. Affordable housing is defined as homes sold at a price below 80% of the Area Median Income (AMI) and units rented to households at or below 50% of the AMI. Builders and developers can meet this mandate through on-site, fee-in-Lieu, off-site, land donation, combination of options, voluntary alternative agreements, and redemption of credit. For-sale projects require administrative approval for on-site or fee-in-Lieu, while rental projects require City Council approval. Both for-sale and rental affordable homes must be deed restricted as permanently affordable in a form provided by the City. All other options require City Council approval.

Appendix: Relevant Town Policies and Plans

The following links provide reference to adopted Town policies and plans that should be considered when making future housing policy decisions.

Plans

Lyons Thrive! Comprehensive Plan (2023): [Link](#)

Trestle Site Analysis (2018):

Deed Restricted Buy-Out Properties (2017): [Link](#)

Housing Needs Assessment (2014): [Link](#)

Policies

Lyons Municipal Code 16-2-40: [Conflict w/Private Covenants or Deeds](#)

Lyons Municipal Code 16-3-260(c)(2): [Prohibited Use on Town Land](#)

Lyons Municipal Code 16-15-70: [Parks and Open Space](#)

Housing Futures Plan Addendum

Addendum to Housing Future Plan

Additions and corrections to Lyons Housing Futures Plan ("HFP") "accepted" by Board of Trustees ("BOT") on 1/16/24. This Addendum was adopted by the BOT on 7/1/24.

1. Population Forecast/Graph

A. Effect of Buildout. The HFP (Part 2, "Forecasted Needs", pp. 20-21) includes a graph and related numerical data projecting future population growth (and thus housing needs). It projects historical trends into the future, suggesting possible increases of 733 people and 342 households through 2050.

However, during the historical period reflected in the graph, Lyons had a substantial number of residential lots remaining, primarily in larger subdivisions such as Lyons Valley Park, Stone Canyon and Eagle Canyon that were eventually built out, or nearly so. As of 2024 Lyons is near buildout, with only 10 vacant residential lots remaining. At 2.5 persons per residence, that would add only 25 people through 100% buildout if all those lots are built on.

Lyons has encouraged infill in the form of Accessory Dwelling Units ("ADUs") since the 2013 flood, including waiving utility tap fees for ADUs. About 12 ADUs have been added under those policies. At 2 persons per unit (ADUs are currently limited to 800 sq. ft or less), another 12 ADUs would add about 24 people. As discussed below, space for more ADUs is limited.

Accordingly, at 100% buildout and assuming another 12 ADUs, Lyons' population would grow by about 50 people rather than 733 and by 22 households rather than 342.

B. Distorted Graph. The key graph on p. 20 of the HFP has an X axis divided into 5-year increments - except for the years 2020 - 2025, which are in 1-year increments. Changing increments in the middle of the graph produced a flattening-out effect. Keeping increments constant (5-year periods) shows a different trend line. Exhibit 1 (below) compares the two graphs.

Future Population (Growth)

The first step in determining future housing needs for the Town of Lyons involves the development of a population forecast out to the horizon year 2050. An appropriate growth rate was developed based on the Town's historical population data from the U.S. Census Bureau and applied to develop the forecast illustrated in Figure 12 below.

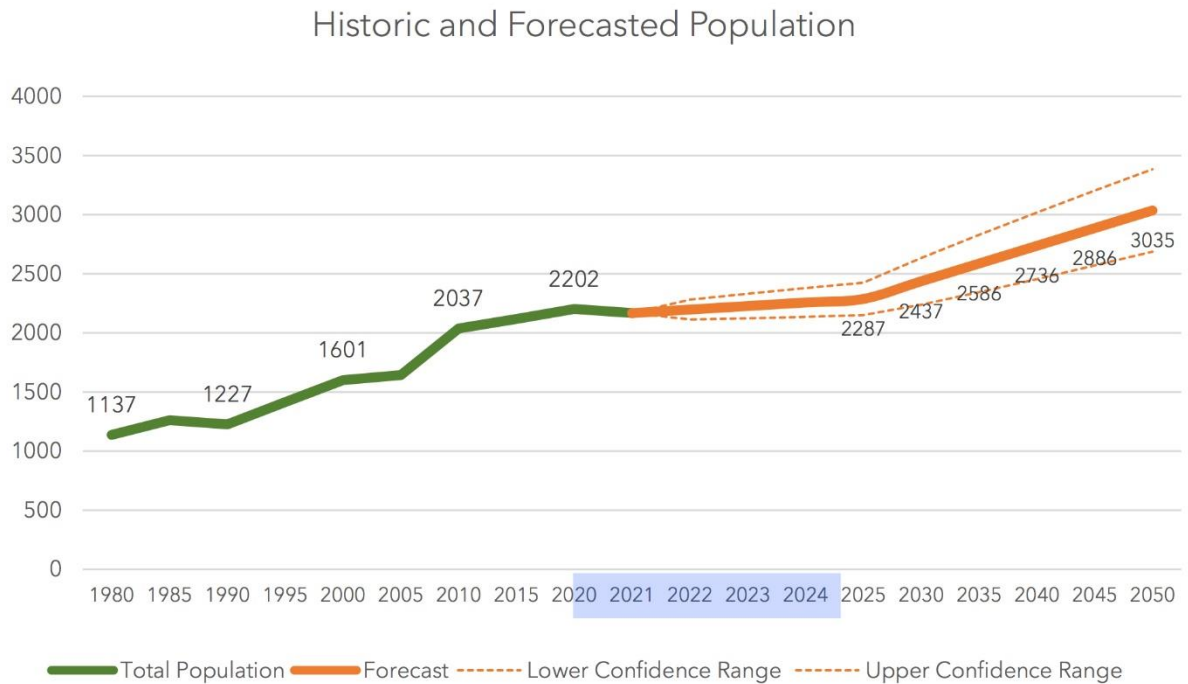


Figure 16: Past and Future Populations (Source: Source: U.S. Census Bureau, BHI)

Future Population (Growth)

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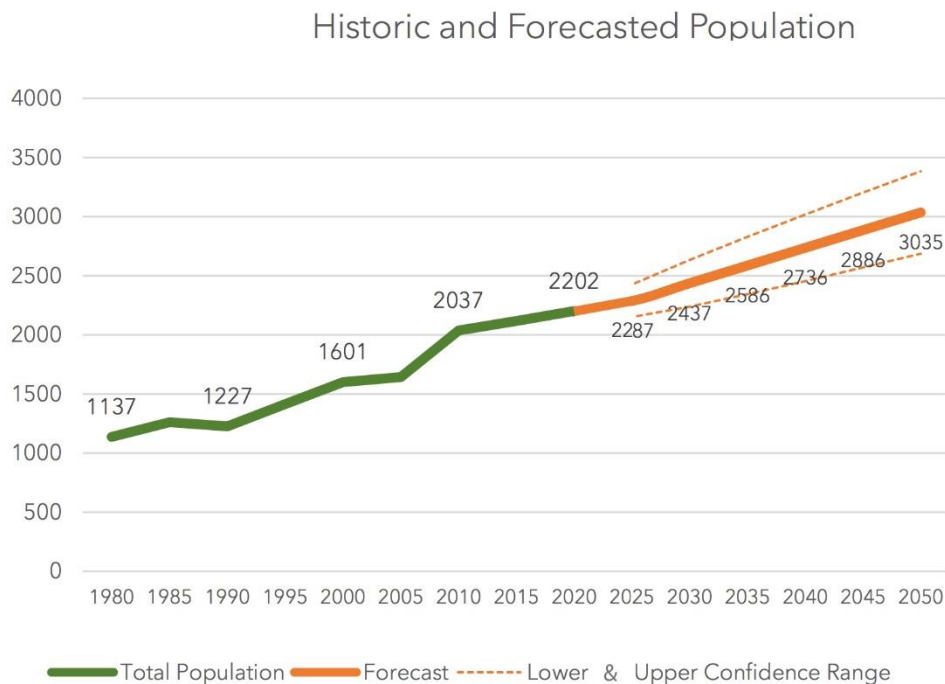


Figure 16: Past and Future Populations (Source: Source: U.S. Cens

C. Recent Legislation. Two bills enacted in 2024 by the Colorado legislature and signed into law by Gov. Jared Polis may affect the future populations of Lyons and other Colorado municipalities.

HB 24-1007 eliminated most occupancy limits on residential properties in Colorado. LMC Sec. 16-1-160 has defined "family" as including "[a]ny unrelated group of persons consisting of not more than three (3) persons." That limitation is likely rendered unenforceable by HB-1007. It is therefore now possible that more unrelated persons may live in what were "single-family" residences, though the extent to which that possibility may affect Lyons' long-term population is unknown.

HB 1152 declared void as against public policy any "declaration, bylaw or rule of an association" prohibiting detached dwelling units in subdivisions. As noted in Section 7 below,, at least three of the larger subdivisions in Lyons (Lyons Valley Park, Stone Canyon, and Eagle Canyon) have restrictions prohibiting detached ADUs.

The effect of HB 1152 on Lyons and other municipalities is uncertain at this time. The bill does not become effective until June 2025. Its language may be subject to different interpretations. Lawsuits may challenge its constitutionality as an alleged "taking" of private property rights without compensation. The outcome of any court challenges is uncertain. See "The Power of State Legislatures to Invalidate Private Deed Restrictions: Is It an Unconstitutional Taking?" *Pepperdine Law Review*, Vol. 50, Iss. 3 (March 15, 2023).

Once HB 1152 becomes effective, if courts uphold its validity, the new law could have the effect of allowing more ADUs to be built in Lyons and elsewhere, potentially increasing populations. As with the elimination of occupancy limits, the long-term effect in Lyons is unknown.

2. Annexation

Because population and household numbers through buildout of current Town limits would produce lower numbers as discussed in Paragraph 1 above, it is likely Lyons would only approach the HFP's "Forecasted Need" numbers if it annexes new areas for development. The HFP, p. 25, briefly alludes to this in a single passing reference: "Thoughtful consideration of annexation and the prioritization of infill development will be crucial if Lyons is to achieve its desired increase in overall housing stock."

Residential annexation is controversial and rare in Lyons. In 2000, Lyons voters approved by 254 - 157 (62%) a referendum to require voter approval of any annexation of a property 5 acres or more. The BOT codified that rule in Lyons Municipal Code ("LMC") 15-1-340. In 24 years since the referendum, only one residential annexation – a proposed additional phase of Stone Canyon – has been put to voters. It was voted down 191-134 (59%).

3. Restrictions on Town-owned Land

Strategy 4 on HFP p. 41 is: "Use Vacant Publicly-Owned Land for Affordable Housing Development." The HFP omits, however, significant limitations on using vacant Town-owned land in Lyons.

A. Parks and Open Space Land. Within the approximate 1.4 square mile Town limits, Lyons owns a considerable amount of Parks and Open Space land, as shown in

the zoning map on HFP p. 30. In 2016, citizens adopted by a 54% margin an ordinance which requires voter approval to develop more than 0.5 acre of POS-zoned property. No residential development has been proposed on any POS-zoned property since 2016.

B. Restrictive Covenants and Easements. Two substantial parcels of Town-owned land are the 10-acre dog park and a 10-acre tract (Lot F) south of the dog park. Figure 25 on HFP p. 30 identifies those parcels as potential development locations. Both parcels are subject to restrictive covenants or conservation easements running in favor of Boulder County (Lot F) and a neighboring property owner (dog park). When the Planning and Community Development Commission reviewed the HFP, the neighboring property owner advised that under no circumstances would the dog park restrictive covenant be waived. Although Boulder County suggested, after the 2013 flood, that it might consider modifying conservation easements on Lot F for affordable housing, the post-flood housing was built elsewhere. The conservation easements remain. Lot F has been neither annexed into Town limits nor zoned.

C. Municipal Zoning. The zoning map on HFP p. 30 includes multiple Town-owned parcels zoned Municipal. Such parcels, shaded blue, include: the dog park, Sandstone Park, Lyons Depot block, Lyons Cemetery, Town Hall and annex property, Walt Self Center and post office property, and substantial property in the Eastern Corridor, including the old Burlington Northern right of way and the Public Works Building property. Under LMC 16-3-260, residential housing development is not allowed on properties zoned Municipal.

4. The Blue Line

In addition to the 5-acre rule noted above, under LMC 13-1-130 Lyons will not provide water or wastewater service above a "blue line" at 5,450 feet altitude. That may limit potential annexation and development. For example, land in upper Steamboat Valley (above Vasquez and Horizon Streets) is above the blue line. Blue line variances can be granted, but only if they comply with the Comprehensive Plan and "will not detrimentally affect the health, safety or welfare of the residents of the proposed development or consumers of the public water and wastewater systems." Any variance is "subject to public referendum." LMC 13-1-130.

5. Stormwater Drainage Master Plan

In 2017, Lyons adopted a Stormwater Drainage Master Plan, a comprehensive, detailed analysis of risks from stormwater runoff. Such risks enter into the analysis of

any proposed development in identified drainage basins. For example, the Stormwater Master Plan states as follows with respect to the Steamboat Valley area and the parts of town (including downtown) into which the Steamboat Valley basin drains:

"4.3.9 Steamboat Valley The most significant flood hazard impacting downtown Lyons is runoff from Steamboat Valley. The runoff from the upper watershed concentrates behind the old railroad embankment. The area behind the old railroad embankment poses a significant flood hazard to downstream properties. ... Downstream of the railroad embankment development within the natural drainage path has confined the runoff to an undersized open channel through private property. The lack of conveyance capacity of this channel and culvert roadway crossings between 4th Avenue and 5th Avenue creates a flooding hazard damaging private property. Any flow that is not intercepted by the historic stone culvert continues on the surface flowing through backyards with additional impact to private property and structures. The existing conveyance within Steamboat Valley does not have the hydraulic capacity to convey storms greater than the 5-year return period."

The HFP does not address risks discussed in the Stormwater Drainage Master Plan.

6. Longs Peak Drive Area

One possible area identified on HFP p. 36 for potential residential development (though termed "less ideal") is the west end of Longs Peak Drive ("LPD"). Most of the area surrounding existing homes on LPD is owned by the LPD Homeowners Association. The LPD HOA's expressed intent is to preserve the HOA-owned property as non-developed open space. There are also two Town-owned properties near LPD. Those properties are zoned Parks and Open Space. See paragraph 3.A above as to restrictions on developing POS-zoned land.

7. Limited Locations for Accessory Dwelling Units

HFP Strategy 6 on p. 42 is "Incentivize the creation of accessory dwelling units on previously developed residential parcels." The HFP does not address at least two significant constraints on implementing that strategy:

A. Deed Restrictions. The three largest subdivisions in Lyons are Lyons Valley Park, Stone Canyon and Eagle Canyon. Single family deed restrictions in those subdivisions do not allow construction of detached accessory dwelling units.

(However, recent state legislation addresses those restrictions, as discussed in Section 1.C above.)

B. Topographical Limitations. Suitable physical space for ADUs is lacking in many previously developed residential areas due to topography (steep hills and rocky cliffs). Among streets where topographical limitations exist are Indian Lookout Rd., Upper 5th Ave. (west side), streets around "Tank Hill", Longs Peak Dr., Mountain View Dr., Upper 2nd Ave., 1st Ave., Kelling Dr. and Ewald Stt. Due to those limitations and others noted above in paragraphs 3 - 6, the number of potential ADU sites within Lyons' 1.4 square mile area is limited.

8. Fire Safety Concerns

In the HFP review process, citizens expressed concerns about fire risk from possible development in areas on Lyons' periphery, but not currently annexed. For example, residents in northern Lyons pointed out that a single access street (Upper 5th Avenue) would have to convey emergency evacuation traffic. The need for multiple ingress and egress routes is another factor limiting potential residential development outside current town limits.

The 2023 Comprehensive Plan (p. 70) recognizes development limitations in such natural hazard areas: "New homes or neighborhoods should be designed and sited to protect significant natural areas, wildlife habitat, and avoid locations at significant risk from natural hazards."

9. Confluence/Deed-Restricted Buyout Properties

Although the HFP (pp. 29-30) discusses possible use of deed-restricted buyout properties in the Confluence area, Lyons Mayor Hollie Rogin responded as follows to concerns about the HFP expressed by multiple Confluence residents at a January 16, 2024 BOT meeting: "What are the plans for the Confluence? None. Are we planning to change DRBOP? No." The Board of Trustees adopting this Addendum agrees: Confluence/DRBOP properties "are earmarked as open space or recreational lands in perpetuity" under the approved DRBOP

Housing Futures Plan Addendum (Staff Comments)

Notes on Future Growth Trends

1. Staff would also encourage the BOT to consider the effect infill and redevelopment may have on this population growth estimate. Several properties within the town could be considered either ripe for redevelopment or already underutilized. Examples include the industrial property next to Town Hall and other commercial uses that would benefit from mixed-use development.
2. Staff also assumes that as the market changes for ADU development (more competition, efficiency, and technology), their development will become more prevalent in town. In the past five years, the ADU industry has grown exponentially, as has its support from the State government.
3. The development of the Eastern Corridor also needs to be considered as a reason for population growth. Several property owners have expressed great interest in housing development. For example, TEBO is requesting an R3 Zone District for this purpose.
4. Cohousing, which is not a new concept but certainly a growing trend due to HB24-1007, may also lead to population growth. Now that two or three families can live in one home (this could be the case for larger homes in Lyons, of which there are plenty), we may need to reevaluate.
5. Lastly, new tax Incentives (Prop 123 and BC Tax 1B) and changing state regulations (ADU by-right and no occupancy limits) may also lead to a population increase. The state seems to continue developing a carrot-and-stick approach to housing, which may also result in added housing units.
6. Staff believes 733 may be too ambitious, but 50 seems low. Staff would recommend using 300 people or (120) households.
7. The Eastern Corridor has several properties ready for residential development that will not fall under the 10-acre rule. Also, the community has expressed that density within that area is generally acceptable. This was stated as a possible solution/compromise in the community IGA discussions.

Note on the "Distorted Graph"

Staff agrees that the graph could be reworked but understands that the consultant wanted to represent the current time period.

Note on HOA's

As we all know, pressure from the state on HOA authority will continue to rise. While we cannot foresee what will happen, these trends should not be ignored.

Notes on Municipal Zoning

While the appetite for allowing housing on Municipally Zoned parcels may not exist currently, future boards may see value in amending this section of code to allow for housing development, which could open up land for development as well.

Notes on the Blue Line

Staff would also note that a developer could install infrastructure to “raise this line.” While this would be capital-intensive, it is still a possibility.

Notes on Confluence/Deed-Restricted Buyout Properties

Staff would encourage rewording this section to avoid quoting a single elected official. Instead, this paragraph should consider using the adopted policy (the DRPOB Plan).