

Federal, State, and Intergovernmental Relations (FSIR) Meeting
Video Conference Call Meeting
March 29, 2023

Members Present: Council Member Lawson – Chair, Council Member Jurinsky – Vice Chair,
Council Member Zvonek

Others Present: Council Member Marcano, D. Wilson, C. Grant, D. Money, C. Carlson, L.
Rogers, K. Kitzmann, J. Lanigan, R. Venegas, T. Rees, J. Rustad, P.
O’Keefe, C. Colip, J. Prosser, M. Parnes, G. Koumantakis, E. Knight, M.
Gardner, J. Cox, I. Best, A. Davis, M. Callison, R. Allen, L. Gaylord, A.
Montoya, N. Swirvine, M. Bryant, A. Botham, C. McDonald

1. CONSENT ITEMS: None.

2. STATE LEGISLATIVE UPDATE

Summary of Issue and Discussion: Peggi O’Keefe gave an update on current legislation.

SB23-213: Land Use Policy Summary

CM Lawson opened the discussion by introducing P. O’Keefe and Cammie Colip and asked P. O’Keefe to provide a legislative update on the bill introduced last week. P. O’Keefe mentioned that the bill was 106 pages long, and Liz and her team are analyzing it to understand the priority issues for the city. P. O’Keefe and her team are meeting with CML to get more information and are hoping to have a clearer understanding of the priority issues for the city after the meeting. Their goal is to effectively communicate their concerns and potential solutions to legislators, particularly those in their delegation and those who could be swing votes on the issue.

Legislative Position Discussion

Bill Position

Liz Rogers provided an overview and analysis of the Land Use Bill that is over 100 pages long. The bill divides municipalities into different tiers, with Aurora falling into Tier 1, which means most of the proposed changes will apply to them. The bill included exceptions and extensions for water supply and infrastructure deficiencies. There were also two coding changes in the bill, a flexible option, and a model code, with the state taking over zoning and implementing their model code if the municipality chose not to comply with minimum standards.

L. Rogers dove into specific areas of concern and discussed the various parts of a Land Use Bill, including a Housing Needs Assessment and Housing Needs Plan, which requires municipalities to conduct an assessment of affordable housing needs every five years and implement strategies to address them.

CM Lawson expressed concern about the burden of this assessment and suggested using the HUD Assessment that the city already conducts.

CM Zvonek agrees and expresses concern about the state's overreach in mandating specific strategies to achieve certain outcomes.

Roberto Venegas suggested creating a fact sheet outlining what Aurora is already doing in each section of the Land Use Bill as a lobbying strategy to show that the bill shouldn't necessarily apply to them. He also emphasized the importance of cleaning up language in certain sections of the bill to make it more workable, as pushing back on the bill may be difficult given the majorities in the Governor's support. He agreed with CM Zvonek that the bill is a big overreach but suggested making the best of a bad bill.

L. Rogers discussed part two and three of the Land Use Bill related to accessory dwelling units and middle housing. She mentioned concerns about small zoning changes that could greatly impact the community, particularly around parking code changes. The bill allows for more broad allowances for building accessory dwelling units and middle housing in different zoning areas, but there are concerns about the lack of additional regulation of ADUs. She also mentioned that municipalities have the flexibility to regulate short-term rentals or encourage affordability in these housing types, but if they do not adopt minimum standard requirements, the State will impose the model code option until the Municipality meets the new minimum options. Liz asked if there were any questions regarding these sections.

L. Rogers discussed part four and five regarding Transient Oriented Communities and Key Corridors. Transient-oriented communities have a specific definition and must meet a minimum gross density of 40 units per acre. Municipalities must approve multifamily housing in these areas and may not require new off-street parking for these housing types. The same parking limitations also apply to key corridors based on current or existing transit plans and services. Minimum standards are set for both sections and if municipalities do not comply, they will default to the model code. Liz asked if there were any questions regarding these sections.

L. Rogers discussed Part Six of the proposed legislation about Removing Barriers to Affordability. She explained that this part aims to reduce the cost of housing and raised concerns about the absence of details on what constitutes health and safety for minimum square footage requirements and the restriction on municipalities to enforce residential occupancy limits based on family relationships. CM Zvonek asked if many municipalities have similar restrictions in place that would be overruled by the state. L. Rogers replied that the city of Aurora follows the International Residential Code, which specifies minimum square footage requirements for buildings.

Jessica Prosser offered an explanation to CM Zvonek's question about occupancy regulations, stating that the city follows its own code and regulates occupancy through Code Enforcement.

L. Rogers gave a summary part seven as it pertains to Aurora Water. Kathy Kitzmann from Aurora Water commented on the Water Planning and Efficiency section, stated that they didn't find anything of concern and that the Governor's Office is working on an amendment regarding the water loss audit section. Liz asked if there were any questions regarding these sections.

CM Lawson asked for a definition of "disproportionately impact disadvantaged neighborhoods" in the staff analysis, which was answered by Mindy Parnes from Planning and Development. She explained that the concern is about allowing increased density in established single-family neighborhoods, which can result in market-rate developments that increase property values and destabilize the existing neighborhoods.

CM Lawson discussed the issue of hedge funds and large corporations buying up properties in communities which has caused an increase in rents and limited the availability of affordable single-family homes. Planning and Development Director Jeannine Rustad, confirmed that a section of the bill already addresses anti-displacement and that Aurora's non-displacement provisions in the Unified Development Ordinance would likely be consistent with the bill.

CM Marcano expressed concern about the potential for quick gentrification and displacement in blanket upzoning of existing communities and asked if non-displacement provisions in Aurora's Unified Development Ordinance would conflict with the bill, to which J. Rustad responded that it would likely be consistent.

L. Rogers discussed specific concerns that staff had with the bill, particularly regarding the city's language and implementation of affordable housing. The first concern involved the State's Multi-Agency Advisory Committee and the exclusion of the three largest cities and municipalities. Staff wanted to ensure they had a seat at the table and proposed changing the definition of the committee. The next concern involved the definition of townhome and its inconsistency with the International Residential Code, which could reduce current code standards and compromise fire safety. Staff suggested an amendment to submit the Housing Needs Plan report to HUD to avoid duplication of work.

L. Rogers continued to discuss concerns with the bill, specifically with the Housing Needs Plan that requires a 20-year horizon for equitable distribution of housing within the jurisdiction. Staff recommended reducing the timeframe to 5-10 years due to the rapid changes in demographics, the market economy, and development trends. Additionally, the city would have to engage in multiple reporting requirements, which staff considered burdensome and recommended reporting less frequently or limiting to pertinent information for new housing units only.

L. Rogers discussed staff concerns with part two on Accessory Dwelling Units. She mentioned concerns with the use by right and the minimum standards imposed by the bill conflicting with the City's Home Rule Authority. Staff also had concerns about parking requirements and the prohibition of owner occupation requirements, which could attract investors to make both properties rental units. Additionally, the minimum setbacks for ADUs were a concern, as the International Residential Code allows structures to be less than five feet with restrictions on wall openings for fire safety. Staff suggested including IRC requirements for fire-related walls and window openings in the code for safety and fire prevention.

L. Rogers discussed the staff's concerns with parts three through five of the bill. In part three, staff found the bill overly prescriptive and recommended requiring at least a limited amount of parking for new housing developments to consider local impacts and resident reliance on vehicles. Part

four and part five also raised parking concerns for new developments and objective procedures to determine compliance with the model code. Staff believed the model code did not consider development context, asset access, and physical or geographic constraints and suggested requiring municipal collaboration on local conditions. Staff also sought an exemption for the city due to its engagement in Prop 123 and already having codes in effect to promote affordable housing. The bill also restricted the enforcement of residential occupancy limits, which staff suggested limiting to six or eight people living together for safety reasons. Staff expressed concern with the lack of detail on minimum health and safety standards for minimum square footage requirements and suggested referencing the International Residential Code. L. Rogers concluded her presentation and opened the floor for questions and clarification.

CM Lawson thanked the city departments for providing their input on the bill.

CM Zvonek suggested turning the bill into a task force due to its broad sweeping changes and potential unintended consequences. P. O'Keefe responded that it wasn't something the bill sponsors or the Governor's Office was considering but something they could keep on the back burner. Mac Callison raised the topic of the Multi-Model Options Fund and the State Transportation Fund, which have a connection to housing, and suggested that it should be included in the recommendations.

CM Lawson agreed and asked for it to be included in the recommendations.

CM Marcano thanked Liz and the others involved in the update and supported standardizing references to code back to the IRC. However, he suggested that parking minimums should be separated based on the type of development, as access to public transportation is inadequate in suburban and exurban areas.

CM Jurinsky opposed the bill and did not support any amendments.

CM Zvonek took the position of Oppose if Asked on the bill and suggested working with others to try and make it more workable and exploring a task force to address the statewide housing shortage. P. O'Keefe confirmed that the city would have some input on the rulemaking process but acknowledged that DOLA would have a significant decision-making process without the city's input. She also stated that the city did not like the bill and had many concerns, suggesting a deeper discussion on affordable housing and proposing a list of additional changes.

CM Lawson asked P. O'Keefe if they still had negotiating power with legislators if the Committee opposed the bill. P. O'Keefe confirmed that they would still be able to voice their concerns and that they had meetings with potential swing legislators.

CM Lawson expressed hope that the Committee could bring up amendments regarding task force, transportation, and standalone model codes. Staff had requested the Committee's discretion to draft and pursue amendments to mitigate the bill's impact on Aurora.

R. Venegas confirmed that this still gave them an opportunity to discuss their concerns and clarify that they would still have an official position. The full Council would be informed of staff concerns

and the Committee's position at the Study Session on Monday. Lawson asked if staff would still reach out to other municipalities about concerns and issues they have with the bill, R. Venegas confirmed they would.

CM Lawson supported the staff's recommendation of no position and allowed staff discretion to draft and pursue amendments to the bill.

CM Jurinsky and CM Zvonek supported an Oppose if Asked position and allowed staff discretion to draft and pursue amendments to the bill.

Outcome: The Committee voted on taking an Oppose if Asked position on the Land Use bill and to allow staff discretion to draft and pursue amendments to the legislation.

Follow-up Action: Staff and lobbyists will act on the above proposal in accordance with the positions taken.

3. MISCELLANEOUS MATTERS FOR CONSIDERATION

None.

Approved:	<u>Angela Lawson</u>	4-10-23
	Angela Lawson	Date
	Committee Chair	