



TOWN OF NEDERLAND BOARD OF
TRUSTEES AND PLANNING COMMISSION
JOINT WORK SESSION

MEETING NOTES

NEDERLAND COMMUNITY CENTER

750 Hwy 72 Nederland, CO 80466

August 24, 2016 7:00 PM TO 9:00 PM

A. INTRODUCTION

Mayor Kristopher Larsen

Mayor Larsen started the Joint Work Session at 7:01pm. He lauded the large public turnout, as public outreach and involvement is one of the main goals for the Board of Trustees. Introductions were made around the table.

B. PROPOSED HOUSING-RELATED POLICIES

Town Administrator Alisha Reis

Reis said the information that arises from this joint work session will be made available upon the town's website: <http://nederlandco.org/>. She presented slides illustrating the housing environment due to the housing shortage, and said most of Boulder County's municipalities are experiencing growth pressure. Mayor Larsen asked if rent trends are being tracked. Commissioner Wendy Williams said there isn't a tracking standard, with realtors and property managers utilizing the going prices. Reis said the 2013 Comprehensive Plan update ("Comp Plan") did identify the need for diverse additional housing. In 2014, the Housing Needs Assessment (HNA) provided quantitative data showing a need for "missing middle" housing of 1-2 bedrooms within the \$750-\$1500 rental range, which is the target for workforce housing based upon the area median income (AMI) between 30%-80%.

Reis said the Planning Commission's focused work plan upon housing was catalyzed by the results of the Comp Plan and HNA. Subsequently, the 2015 EPA Rural Building Blocks recommendations indicated a desire for diverse types of housing including accessory dwelling units, smaller units, and building incentives. She said the Commission and Peak to Peak Human Services Committee Housing Subcommittee held a public forum on December 3, 2015 to define affordable housing. The Commission targeted the workforce AMI between 30%-80%, to achieve quality, attainable housing for the local workforce while

respecting the character and lifestyle of the mountain area (Family AMI: \$90,500; Single person AMI: \$36,323). Of this percentage, she noted that the 60% range includes service workers to civil servant positions and teachers.

Reis introduced the 6 identified goals and one project to be discussed in depth.

- **Density Increase Extension and/or Workforce Housing Overlay**

Reis said the Board of Trustees recently reviewed a proposal to allow density increase within the High Density Residential (HDR) district as allowed on an individual basis within the similarly sized Neighborhood Commercial (NC) district. The Nederland Municipal Code Section 16-88 Density Increase explains the criteria required to allow for one dwelling unit per 2,000sf instead of one unit per 4,000sf. Due to major neighborhood opposition, the proposal was tabled.

Regarding a workforce housing overlay, Reis said mapping and GIS analysis have identified several areas proximal to transit and commercial areas. She said this item will require further development by staff and the Planning Commission, such as sub-area planning. Reis said the proposal for density increase extension was not well understood by residents when presented, but acknowledged neighborhood deterioration was the root of presented concerns.

- **Incentives for Housing Affordability and Energy Efficiency**

Reis said energy efficiency and housing affordability are intricately linked, with the highest monetary outputs for the main housing payment, along with energy for heating and electricity and transportation costs. Reis said that a reduced transportation cost is being realized by abundant use of the district-wide EcoPass. She said that energy efficiency can be assisted with the forthcoming building code update to the 2012 or 2015 ICC building codes and 2014 Energy Conservation Code, along with weatherization assistance from the County. She said that the packet includes an overview of Longmont's incentives, such as a buy down of development costs, costs to borrow, and incentives for passive solar and other energy measures. Reis said solar affect is mandated in certain municipalities for new construction, which is a conceivable requirement for Nederland. She also spoke about partnerships for County-wide grants.

- **Short-term Rentals (STR) / vacation rental by owner (VRBO)**

Reis said the CAST study and the municipal comparison spreadsheet research by staff indicate trends seen throughout Colorado regarding regulation, and any policy will impact how lodging occurs, as well as availability for long-term rentals in town. At this time, the lodging market includes the hotel and approximately 3 dozen VRBO properties in town. She said basic policies and regulations can be made available depending upon direction and timeline for rollout desired.

- **Rental Licensing Program (Long-term Rentals)**

Reis said the Town Hall receives inquiries about rental and sale units, and has

heard many concerns about the poor quality of housing stock. She said adoption of a rental licensing program could provide data on rental stock and ensure basic habitability for residents. The program would take about 5 years for full roll-out, to identify all rental units, and for property owners with more than one property, the program would identify and work with owners on priority areas and scheduling basic inspections for compliance. Reis said Nederland's program will not necessarily be modeled upon a more in-depth and staffed program, such as that at the City of Boulder, but will instead consist of a streamlined inspection and rental program to ensure basic habitability.

- **Duplex/Triplex Streamline(Administrative Approval)**

Reis said any district with an allowance for multi-family developments currently requires a special review use (SRU) application, with the risk assumed and timeline required seen as a limiting factor by applicants. Thus, the Commission has discussed making allowances for 1-4 units by administrative review instead of SRU request. Reis said that any proposal must meet all code and safety requirements for building and construction, ensure parking and biking access, along with yard and bulk requirements like setbacks and lot coverage. Reis answered Trustee Miller's question about how many lots could be affected, indicating that most neighborhoods are built out, with some areas in western Old Town and on 5th Street above the reservoir that could provide for multi-family developments. Reis said barriers such as high land costs and the short building season, which has driven the market for a specific type of home; however, she acknowledged that the town is over-served for the larger single family home at the \$500k level.

- **Accessory Dwelling Units (ADU's) and Tiny homes**

Reis said "guest house" is defined and allowed per code, with clear specification that the space cannot be used as a rental unit, i.e. no kitchen allowed. She said ADU's are usually unattached, smaller units under 1,000 square feet or separate units above a garage set up as dwelling units, whereas tiny homes tend to be under 500 square feet. Town regulations don't disallow tiny homes, although *mobile* tiny homes can only be sited in mobile home parks as defined per code. Reis acknowledged infrastructure and zoning considerations in making allowance for additional units of any size.

C. HOUSING DEVELOPMENT AT OLD 5TH STREET TOWN SHOP SITE

Reis said the old town maintenance shop in the Dyers neighborhood consists of half a block, with a mobile home park making up the rest of the block. She said there will be some materials reused and/or recycled for the new Public Works Facility off Ridge Road, and a Brownfield redevelopment testing/mitigation effort at the existing site on 5th Street. She said the old town shop site has been discussed as a housing development site since the Mud Lake acquisitions and agreements (late 1990s). Reis clarified that the renegotiation of associated IGAs removed the requirement to build housing, but the town would like to honor that agreement with pursuit of this project. Boulder County Housing and Human Services Housing

Division Director Norrie Boyd answered questions about partnerships with the County to further affordable housing development in Nederland.

Mayor Pro Tem Charles Wood asked for clarification of the boundaries considered for Nederland's AMI. Reis said the AMI is within Nederland's town boundary, and the Housing Needs Assessment (HNA) includes Nederland as well as a larger 10-mile boundary. Planning Commission Vice Chairman Steve Williams asked about people buying investment homes, which could also deplete affordable housing. Boyd spoke about a multi-family and senior development in Louisville, which already has a waiting list without any advertising, as part of the county-wide solutions being undertaken. She said a range of housing options helps maintain a diverse community and target people at different stages of their lives. She said there have been many community outreach meetings with different targeted groups to ensure broad community engagement. Boyd said there is a housing development for school district employees (Twin Lakes), although this has been met with some neighbor opposition due to "affordable housing" units in area of predominately single-family units.

Commissioner Williams asked about the County wanting a minimum of 60 units to be involved in Nederland. Boyd said she is unaware of the origin of this number, however she said it is more costly to develop at the smaller project scale. She said the County already owns 2 existing properties in Nederland, which are in need of rehabilitation, and these units could be considered along with new construction to reach a certain target. Mayor Pro Tem Wood asked about how the County perceives these smaller developments being as Nederland doesn't have the parcel size to accommodate larger projects. Boyd said that Boulder County desires to serve smaller communities as much as larger municipalities.

Commissioner Williams asked about low income tax credits. Boyd spoke about paths to projects for senior housing and family housing with low income tax credits at AMI of 60% and under.

Trustee Masters said this could be discussed in perpetuity without action, however the density increase application presented before the BOT underscored the issue.

Trustee Masters said he sees 3 different elements: 1) changes to the zoning code, 2) rental housing aspects; and 3) the Town Shop redevelopment. He said goals should be reviewed to understand issues that could be addressed by zoning and land use changes if code changes are made. He specified barriers in zoning to include setbacks, green-space requirements, minimum square footage, height, lot size, and the zoning definitions themselves. He said that pathways to density should be reviewed throughout town in a comprehensive way with a package of proposed changes iterated over several meetings to be reviewed by the Board of Trustees in the near future.

Chairman Cornell said that zoning is established for a reason, and must be reviewed strategically, with possible formation of a subcommittee. Trustee Donahue said that some elements may be out of their depth, and suggested hiring a consultant to assist

the process of integrating the Comprehensive Plan into the Municipal Code. Reis said she could reach out to DOLA regarding an administrative grant to assist with that work. She explained the Town cannot legally rezone property without owner buy-in, which is why the 17-acre industrial property has remained as zoned. Donahue's suggestion of hiring a consultant was met with broad support after further discussion. Reis said the process would require at least a year, and likely cost \$40,000-\$60,000 for the study, with a requirement for 50% matching funds from the Town.

Commissioner Herring said in the interim of hiring a consultant, she would support furthering allowance for ADU's/tiny homes. Mayor Larsen said the goal for the work session was to establish a directive from the Board to the Planning Commission to tackle the perceived low hanging fruit with later meetings to discuss concrete changes. Joint discussion identified administrative review of multi-family development as another goal to be implemented sooner than later. Trustee Miller mentioned the City of Boulder ADU study within the packet, noting the owner occupancy requirement. She said the workforce housing overlay could potentially aggregate enough space for a Boulder County project, which is important to move forward. Mayor Larsen said multi-board involvement, with significant public outreach would benefit the process.

Reis noted that recommendations from the Building Code Update Task Force were represented by many aspects of the building profession, with an intention to consider formal adoption in next few months. Trustee Masters mentioned the Consortium of Cities focused on long-term homeless situation, with some solutions obtained through zoning changes. He said the Town could ally with Lyons, as they are having similar issues. Reis said the EPA Building Blocks program provided recommendations, but most require considerable time, money, and effort.

Commissioner Williams mentioned the impact of vacation rentals on long-term housing stock, and said she'd support enactment of rental licensing and VRBO taxation. She said establishment of these programs could slow the massive investment, and create revenue for future grant writers and/or programs. Reis said a public vote is required to impose a lodging tax.

Trustee Masters said "low hanging fruit" should consist of noncontroversial items and those elements that could be changed town-wide to promote resident support. Mayor Larsen said he'd like to see the first items proposed by the November 15 Board of Trustees meeting, which would allow for public hearings at the Planning Commission first. Trustee Gustafson said she'd want to ensure measures in place for neighbors to speak to issues, as was evidenced with the density increase for the HDR district. She was concerned about administrative streamline for multi-family development not allowing for public comment. Reis said that previously built or manufactured developments sited on undersized lots are an issue being addressed via code enforcement; however, the allowance for streamline would require any proposal to meet existing zoning.

Trustee Masters said he is in support of more mixed use development where appropriate and review of the current code to identify issues. Reis said parking and shared parking in downtown areas will need further discussion. Mayor Larsen asked

about incentives; however, Commissioner Herring said incentives appear to be a denser issue than “low hanging fruit”. Commissioner Williams said she foresees incentives and overlay areas taking more time to establish, but could of themselves create incentive for development. Mayor Larsen said that a task force can be convened specifically to discuss potential incentives.

Trustee Miller said guidelines for the 5 lots at the old town shop site should be identified. Reis said Public zoning has less yard and bulk limitations, except the height requirement. She also said there may be partnership with the owner of the rest of the block to create a larger development, but regardless the site will be remediated after environmental analysis in 2017. Mayor Larsen requested inclusion of “next steps” with the Town Shop updates.

Marshal Carrill said he supports enactment of rental licensing, as the Police Department inevitably gets called for many owner/tenant issues, unassociated with criminal activity, which are within the scope of code enforcement. He underscored the significant cost of police response, which he estimated has required approximately 5 weeks of time over a 7-month period, without a subsequent staffing increase.

Mayor Larsen asked about employing metrics to show improvements toward goals, i.e. new construction. Boyd said that Boulder County is undergoing a market study to provide analysis of different markets. Reis can the Commission could consider undertaking a study to assist tracking measures. Commission Chairman Cornell said the study could be augmented by review of ordinances.

Trustee Donahue mentioned assistance from further revision of the GIS map of vacant units, and said density and infill development often get confused. Reis said the list would need to be revised and narrowed for topographical and floodplain concerns, and any property owner’s lack of desire for development.

Trustee Miller mentioned infrastructure limitations in allowance for Accessory Dwelling Unit’s (ADU’s), i.e. properties on septic systems. Reis said many septic systems are sized for 4 bedrooms; without all bedrooms in use, however, the split level capability has not yet been discussed.

Trustee Masters said he would support a progressive, well-informed consultant to be tasked to write code changes. Commissioner Guevara mentioned his concern about small dwellings being potentially less able to accommodate families. Commissioner Seavers said he is in favor of a consultant, as well as efficient rollout of attainable short-term policies like ADU’s. Mayor Pro Tem Wood spoke about the building code update. Trustee Gustafson commended the high board turnout, with public outreach to assist community understanding. She said she would like more information about VRBO licensing.

D. Q&A, METRICS, NEXT STEPS DISCUSSION

Mayor Larsen thanked Board and Commission members and the public for attending. He summarized that the Planning Commission will review low hanging fruit, and determine the order of goals to tackle. This topic will take up discussion again on

September 20, 2016 at the Board of Trustees meeting. Reis said that informational outreach will occur through the Town's website and social media sites. Mayor Larsen invited the public to contact the Town and/or elected and/or appointed officials to share ideas.

Next Steps:

- DOLA administrative grant -- for consultant help to pursue inclusion of Comprehensive Plan into Town Code
Timeframe: LONG TERM (2yr) project
- Article about new building codes (Mayor) -- To be implemented prior to next building season
Timeframe: BOT Agenda Item by end of 2016
- ADU/tiny/duplex policy proposal from Planning Commission to BOT by end of November?
Timeframe: November 15 BOT (PRIORITY 1)
- Rental taxation and policy package -- both VRBO and Long-term licensing
Timeframe: December/January (PRIORITY 2)

(NOTE: This timeframe was switched by the Board on Sept. 6, 2016 between Priorities 1 and 2, to allow for licensing program consideration during the 2017 Budget season.)

Trustee Masters asked about planners working for the City of Longmont, as well as Boulder County's planning staff, which may be of benefit to Nederland. Boyd said she would inquire of Longmont city staff.

E. ADJOURNMENT 9:00 PM