



HOME BUILDERS
ASSOCIATION
of
METRO DENVER®

June 20, 2022

City of Thornton
Mayor Jan Kulmann
Members of City Council
9500 Civic Center Drive
Thornton, CO 80229

Dear Mayor and City Council:

We are writing to share our collective thoughts and feedback regarding Thornton's proposed residential growth pacing ordinance in light of the challenges associated with the Thornton Water Project.

These comments are being provided on behalf of the Home Builders Association of Metro Denver. As the largest HBA in Colorado, the HBA of Metro Denver represents approximately 500 homebuilders, developers, remodelers, architects, mortgage lenders, title companies, subcontractors, suppliers and service providers in the eight metro-area counties we serve.

The HBA of Metro Denver represents many different developers and builders doing business in Thornton. The HBA also jointly hosts residential development coordination meetings where our members and Thornton City staff and officials collectively discuss issues pertaining to the residential development industry. At our June 2nd meeting, our HBA members were provided a presentation of Thornton's draft residential growth pacing ordinance and framework and had some time for initial questions and comments.

Following that meeting, and after reviewing a copy of the June 7th Planning Session packet and presentation, our association and members wanted to provide this letter with additional comments, questions and concerns. We have divided our remarks into two sections; one containing comments and suggestions on the overall policy and process and the second with specific questions regarding the proposed ordinance.

Policy and Process:

- Since this ordinance appears to be driven by technical considerations (protection of the City's water supply plan) as opposed to anti-growth sentiment, we believe it is fundamentally important that the City entitlement process is not derailed by the policy. We understand the

City needs to make all current and future applications subject to water availability, which may include either pacing or other conditions; but since the entitlement process is lengthy and complicated and may last longer than it will take to resolve the water supply issue, we believe it is important that this process be able to continue subject to reasonable conditions pending resolution of the water supply issue.

- Part in parcel to the above comment regarding the entitlement process, we believe it is important the City take “seniority” into account when drafting this growth pacing ordinance. It appears that a similar tiering system might be applicable to projects that have already spent considerable time in the entitlement process and investing large sums of financial resources in good faith such that other projects don’t suddenly “jump the line”. These projects should be given consideration and not divided into smaller allocations if and when the project relies on the sum of all parts for success.
- For annexations, the ordinance seems to treat active projects going through the process unfairly. We understand the Statutes of Annexations require the City to certify the availability of water for the property being annexed. We suggest any active projects that have already submitted their CSP and started the annexation process be allowed to continue (and perhaps a version of the at-risk agreement that needs to be executed further down the annexation process). The ordinance could be geared towards not allowing new proposals for annexation by the July 1, 2022 deadline (that deadline was noted in section 18-804 Eligibility Requirements).

Questions:

- Regarding the tiering system and affordable housing, what level of Area Median Income (AMI) is associated with the definition of “occupants not paying more than 30% of gross median income on housing and utilities?”
- Similar to how vertical mixed use is given consideration in Tier 4, what type of consideration could “missing middle” for-sale housing get (i.e. cottages, duplexes, etc.) that equate to entry-level housing opportunities.
- How realistic is 60 allocations per year for single-family detached and 70 allocations per year for single-family attached? Does this divide projects that have been working for years in the entitlement process into small chunks and insert too much risk that subsequent allocations may or may not be issued such that larger master planned communities are not able to proceed with reasonable expectation completion?
- What is meant by “Incorporates Additional Quality Enhancement Standards” in Tier 5?
- Will notification be provided to builders should the City revise the number of allocations available for any given year?
- Are builders able to provide water for a project to be able to build?
- If a subdivision has multiple filings with public improvements built, can permits be requested in each filing? Section 18-805(a)(2)b seems to suggest that may be an option.
- Please confirm that all allocations for the year may be made in the first allocation.
- Is there a timeline of when the allocation has to be used by? Could the allocation expire?

- If you apply for allocations and are labeled as a lower tier, is there a period of time where the applicant can make changes so that project can be moved to a higher tier ranking?
- What drove the breakdown for 60 allocations for SFD vs. 400 for multifamily? It seems like the allocation numbers favors MF development vs. SFA/SFD development.

While we understand Thornton needs to move relatively quickly and get this into place to manage growth and water availability, it is also vitally important that the outstanding questions and concerns of the development community are properly addressed to avoid any unintended consequences to housing attainability or long-term growth. We strongly encourage the City dedicate sufficient time and prioritize a robust stakeholder/industry dialogue - so this policy is the absolute best and most fair system it can be.

To that extent, the HBA of Metro Denver is in active dialogue with our Northern Colorado HBA counterparts to engage in collective communication and advocacy with Larimer County about the importance of Thornton's Water Project.

We hope Thornton City staff and the Mayor and City Council consider these comments and questions as the growth pacing ordinance discussion continues and into any final ordinance language that is adopted.

Thank you for your time and consideration of this matter and we look forward to continued dialogue.

Sincerely,



Ted Leighty
Chief Executive Officer
Home Builders Association of Metro Denver

Cc: Kevin Woods, City Manager
Jason O'Shea, City Development Director
Grant Penland, Planning Director