

**TOWN OF ERIE
TOWN COUNCIL MEETING
August 12, 2025**

SUBJECT: **PUBLIC HEARING: Ordinance 023-2025**
An Ordinance of the Town Council of the Town of Erie
Amending Title 10 of the Erie Municipal Code Removing
Alternative Standards for Affordable Housing Projects

PURPOSE: Per Town Management direction, a Unified Development Code
amendment has been drafted to remove the previously adopted
alternative standards for affordable housing projects

CODE REVIEW: Erie Municipal Code, Title 10

DEPARTMENT: Planning and Development

PRESENTER: Sarah Nurmela, Planning and Development Director
Kelly Driscoll, Planning Manager

STAFF RECOMMENDATION:

Staff find the amendments in the original draft ordinance are responsive to Council's direction.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

In June 2023, the Town Council signed a commitment to meet the requirements of Proposition 123 to be eligible for new State funding to create affordable housing. To remain eligible for Proposition 123 funds beyond December 2026, the Town would need to adopt a "fast track" development review and approval process and increase the number of affordable homes in Erie by 15 units by December 2026.

On July 25, 2023, the Town Council adopted changes to Municipal Code Title 10 Unified Development Code to allow alternative standards for affordable housing developments and administrative review and approval for eligible developments. Ordinance No. 017-2023 implemented changes to facilitate affordable housing development and serve as initial efforts to adopt the Proposition 123 "fast track" requirements. Specifically, Chapter 6 amendments allowed alternative standards for affordable housing developments affecting density, lot size, setbacks, and alternative equivalent compliance opportunities. Chapter 7 amendments provided for administrative development review under the existing minor subdivision and site

plan review process. Chapter 11 amendments provided definitions for Affordable Housing and Area Median Income (AMI) as needed for the Chapters 6 and 7 amendments.

To date, the only project to utilize the provisions of Ordinance No. 017-2023 is the Cheesman Residences development. In December 2023, the Town received its first submittal for the Cheesman Residences and in June 2024, the Town of Erie approved plans for 35 affordable homes (for ownership). Construction started in July 2024 and is well underway with the first homes expected to be closed on starting in August 2025.

Prop 123 & Fast Track

In April 2024, the State of Colorado Department of Local Affairs (DOLA), Division of Housing issued guidance on implementing the “fast track” provisions of Proposition 123 in advance of the December 2026 deadline. With this guidance, Town staff recognized the need to revisit Ordinance No. 017-2023 to confirm minimum requirements for compliance with Proposition 123. Additionally, staff worked with the Boulder Regional Housing Partnership (BRHP) to submit a Local Planning Capacity Grant application to hire a consultant to help the communities in the region move toward “fast track” compliance. This regional approach will include engagement with local development review staff, building and development stakeholder groups, and local elected officials. The BRHP was successful with this effort and has awarded the contract to Clarion/ECONorthwest. Recommendations are expected this winter, with implementation support through April 2026.

Council Direction on Ordinance 017-2023

At the March 4, 2025, Town Council Study Session on the Comprehensive Plan and Affordable Housing, Council directed staff to remove the alternative standards and expedited development review process for affordable housing from the code. The Town Council expressed interest in finding a path to compliance with Proposition 123 that would allow for review and approval by Council. Additionally, Council supported the Town’s involvement in the BRHP’s efforts to create a consistent approach for the region.

Following the direction received on March 4, 2025, Town staff worked with legal counsel to draft proposed amendments to the Municipal Code Title 10, as presented in Ordinance 023-2025. The proposed amendments remove the alternative standards and administrative development review process for affordable housing projects. The definitions of Affordable Housing and Area Median Income (AMI) in Chapter 11 remain as defined by Ordinance 017-2023.

Planning Commission Input on Ordinance 023-2025

Planning Commission discussed Ordinance 023-2025 in three separate meetings, with the first held to consider Ordinance 023-2025 on May 7, 2025. Commissioners continued the consideration of their recommendation to Town Council to July 2, 2025, and asked to hold a joint study session with Town Council to discuss the ordinance. Town Council deferred this study session request until after the community survey results and suggested commissioners review the March 4 and April 15 Town Council study sessions to better understand the context for the amendment. While no joint session was held, Planning Commission discussed the Town's potential path forward for fast track regulation at the June 18, 2025, meeting. Attachments 5-8 include the notes and public comments received at each meeting.

At the May 7 Planning Commission meeting, key discussion points included:

- The potential of an alternative approach that would retain the alternative standards in Chapter 6 and either modify the scope and process of or remove the administrative review in Chapter 7;
- The need for affordable housing to achieve an economically balanced and diverse community, as adopted with the Affordable Housing Policy and Comprehensive Plan; and
- Concerns regarding the approval criteria in Title 10 – UDC, Chapter 1. General Provisions, 10-1-3 (B) and 10-7-18 (C)(9), stating that Ordinance 023-2025 did not meet those criteria.

At the June 18 meeting, several commissioners discussed the potential of drafting a modification of the resolution that would be discussed at the July 2 meeting. Over the next few weeks in preparation for the July 2 meeting, two commissioners provided proposed changes to the resolution to staff and legal counsel.

At the July 2 meeting, the revised and original versions of the resolutions were discussed at length. Most Commissioners were in favor of not repealing the ordinance and taking a collaborative approach with the Council for a new ordinance. The Commission voted 6-1 for the ordinance with the following conditions:

- The ordinance remains as currently codified
- The expedited process be limited to developments with 100 or less units, of which 12% or more are affordable; and
- The Town Council tasks the Planning Commission to work with the Town Council and staff, including one or more study sessions to develop:

- A UDC amendment that addresses the concerns identified,
- an application process that is Prop 123 compliant, and which
- allows the Town Council the necessary time to receive and review the communitywide survey results, and which
- allows staff time to work with the DOLA consultant to address outstanding questions.

Notice

Notice for Ordinance 023-2025 was published in the Colorado Hometown Weekly on July 24, 2025. No posting, mailing, or neighborhood meetings are required.

Approval Criteria

Section 10-7-18(C)(9) of the Erie Municipal Code states the following approval criteria when considering amendments to the text of the UDC:

1. The proposed amendment will promote the public health, safety, and general welfare; and
2. The proposed amendment is generally consistent with the Town's Comprehensive Master Plan and the stated purposes of this UDC; and
3. The proposed amendment is necessary or desirable because of changing conditions, new planning concepts, or other social or economic conditions.

Staff find the amendments in the original draft ordinance are responsive to the Council's direction given at the March 4 Study Session. The result of this action is that no new affordable housing developments will be approved with alternative allowances for development standards or under an expedited development review process until such time as the Council passes a new ordinance.

Attachments

1. Ordinance No. 023-2025
2. PC Resolution P25-07
3. Staff Report
4. Staff Presentation
5. Planning Commission Meeting Minutes May 7
6. Planning Commission Meeting Minutes June 18
7. Public Comment to Planning Commission June 18
8. Draft Planning Commission Meeting Minutes July 2
9. Notice