

Second Reading Amendments

Ordinance No. 1892, Series 2025 is revised to read as follows (second reading amendments are shown in **bold underline** and ~~**bold-strikeout**~~):

ORDINANCE NO. 1936 SERIES 2026

AN ORDINANCE AMENDING TITLE 17 OF THE LOUISVILLE MUNICIPAL CODE REGARDING INCLUSIONARY HOUSING

WHEREAS, the City of Louisville (the “City”), is a Colorado home rule municipal corporation duly organized and existing under laws of the State of Colorado and the City of Louisville Home Rule Charter (the “City Charter”); and

WHEREAS, the Colorado Supreme Court has recognized that both the State of Colorado and municipal governments have a significant interest in maintaining the quality and quantity of affordable housing throughout the state; and

WHEREAS, Colorado statutes require municipalities to include within their comprehensive plans provisions that will promote affordable housing; and

WHEREAS, the City Council finds the provisions of this ordinance address the following housing policies of the City’s Comprehensive Plan:

Goal LU 1 . Increase Residential Development Opportunities

Strategy LU 1.5. Support housing types and locations that advance social equity by expanding access to affordable, accessible, and diverse homes for households with a range of needs and incomes.

Goal LU 2 . Expand and Maintain Access to Affordable Housing

Strategy LU 2.3. Review and update the City’s inclusionary housing requirements to continue to meet community housing goals and reflect current market conditions.

Strategy LU 2.4. Identify and pursue funding and incentive opportunities, including grants, fee reductions, or density bonuses to encourage affordable housing development and preservation.

Strategy LU 2.5. Evaluate potential impacts of new and existing City rules or policies (such as building codes, development standards, and fee structures) on housing affordability before adoption to avoid unintended cost increases.

Strategy LU 2.6. Continue to support the Boulder County Regional Housing

Partnership goal of having 12% of all homes be permanently affordable by 2035 and continue to pursue local policies and partnerships that help Louisville contribute to this target.

Strategy LU 2.7. Apply and strengthen requirements or incentives for providing onsite affordable units in new residential or mixed-use developments.

Goal LU 3 . Diversify Louisville's Housing Stock

Strategy LU 3.3. Require or encourage a mix of housing types, sizes, and price points within larger residential or mixed-use projects to foster inclusive, mixed-income communities.

WHEREAS, by Resolution No. 58, Series 2017, adopted on November 6, 2018, the City endorsed the Boulder County Regional Housing Partnership, which recommends a goal of ensuring twelve percent (12%) of the housing inventory will be permanently affordable to low-, moderate-, and middle-income households by 2035; and

WHEREAS, the City Council finds a diverse housing stock within the City is necessary to serve people of all income levels; and

WHEREAS, based upon its review and consideration of housing studies, reports and analysis, the City Council on June 15, 2021 adopted Ordinance No. 1809, Series 2021, which enacted a new Chapter 17.76 of the Louisville Municipal Code establishing inclusionary housing requirements; and

WHEREAS, the City Council adopted the Louisville Housing Plan in May 2024, which identifies strategies to expand access to affordable housing and includes recommendations to evaluate and update the City's inclusionary housing requirements to better align with current market conditions and community housing goals; and

WHEREAS, based on continued challenges to housing for very low-, low- and moderate-income households, the City Council finds the amendments set forth herein are reasonable and necessary to provide continuing housing opportunities for such households and to help maintain a diverse housing stock that allows people to have better access to jobs and upgrade their economic status; and

WHEREAS, because remaining land appropriate for residential development within the City is limited, it is essential that a reasonable proportion of such land be developed into housing units affordable to low-, moderate-, and middle-income residents and working people, particularly since new housing, in the absence of interventions, tends to be large and expensive, which both reduces opportunities for more affordable housing and contributes to a general rise in prices for all housing in the community, thus exacerbating the scarcity of affordable housing within the City; and

WHEREAS, based on the foregoing findings, and in furtherance of the public health, safety, and welfare of the community, the City Council desires to adopt the amendments to the City's inclusionary housing requirements set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. Section 17.76.020 of the Louisville Municipal Code is hereby amended to read as follows (words to be deleted ~~stricken~~; words to be added underlined):

Sec. 17.76.020 Inclusionary housing requirements.

A. Because land appropriate for residential development within the City is limited, it is essential that a reasonable proportion of such land be developed into housing units that are affordable to low, moderate and middle income households. All development of market-rate housing should therefore include affordable housing, and the City Council finds that 12 percent (12%) is the reasonable proportion at this time, given economic indicators and community need.

B. For purposes of this chapter, "affordable" shall mean dwelling units that are restricted to ownership or rental by those persons meeting the income qualifications as set forth in section 17.76.070. A minimum of half twelve percent (12%) of rental units ~~the affordable housing~~ shall be affordable, limited to those households at or below 80 percent (80%) of the area median income ("AMI"), ~~with the remainder limited to those persons between 60 percent and 80 percent AMI and a minimum of twelve percent (12%) of for sale units shall be affordable, limited to those households earning up to one hundred twenty percent (120%) AMI,~~ as calculated by the United States Department of Housing and Urban Development ("HUD")

Section 2. Section 17.76.050.B.1 of the Louisville Municipal Code is hereby amended to read as follows (words to be deleted ~~stricken~~; words to be added underlined):

Sec. 17.76.050 Options to satisfy requirements.

A. On-site location. The developer or builder may satisfy its obligations under this chapter by providing affordable housing at the same location as market-rate units.

1. Quantity and design. At least 12 percent of the dwelling units in the development shall be affordable. ~~The design and materials used for construction of affordable units shall be equivalent in quality to the market rate units. If the application of this percentage results in a fractional affordable housing unit, any fraction of one-half (0.5) or~~

greater shall be converted into an additional whole unit. The affordable units shall be functionally equivalent in construction and appearance to the other dwelling units in the residential development, excluding interior finishes. The affordable units shall collectively have an average number of bedrooms equivalent to the average number of bedrooms of the market rate units in the residential development, with the market-rate average rounded to the nearest whole number and fractions of one-half (0.5) rounded up.

2. Phasing. Phasing of construction of affordable units and securities for each phase shall be detailed in an affordable housing agreement approved by the city council or may be included in a subdivision or other agreement executed by the city and developer at the time of land use approval.
3. Affordable units shall have equal access as market-rate units to all amenities within the development, including, but not limited to, common areas, indoor and outdoor facilities for convenience or recreation, and parking facilities.
4. Homeowner associations. Affordable units must be placed on a fair and equal footing as market-rate units within the governing documents of any homeowner association or similar entity.

B. **Fee in lieu.** A developer may pay a fee in lieu of providing affordable units.

1. **Amount.** The City Council finds that studies performed by municipalities within the vicinity of the City reasonably calculates the impact to the City, including the City's finances and the welfare of the City's residents, of market-rate dwelling units being developed in the City. Accordingly, the fee in lieu is set initially at ~~\$9.24~~ \$19.08 per square foot of finished market-rate for-sale housing, and ~~\$4.72~~ \$4.73 per square foot of finished market-rate rental housing. The fee in lieu of providing any required fraction of a unit shall be pro-rated based on its proportional share (fractional quantity divided by total number of units required) of the amount of fee in lieu that would be required for the whole development. The City Manager shall periodically ~~recalculate~~ update the fee in lieu using the methodology adopted by the City Council and the most current available market data and ~~present the recalculation to the City Council.~~

2. **Timing of payment.** A developer or builder shall pay the fee in lieu for each market-rate unit as a prerequisite for receiving the building permit for that unit. **The fee paid shall be the fee in effect at the time of final PUD or final plat approval for the development, whichever is later.** ~~The fee paid shall be the fee in effect at the time of the submittal of a complete building permit application for the development, whichever is later.~~

Section 3. Chapter 17.76 of the Louisville Municipal Code is hereby amended by the addition of a new Section 17.76.055 to read as follows:

Sec. 17.76.055 Incentives for On-Site Affordable Units.

The following incentives are available only to projects and buildings that fully satisfy the affordable housing requirements of this Chapter by providing the required on-site affordable housing units:

1. **Residential Density.** For any project eligible under this Section, **both the density and lot coverage increases in this subsection shall apply:**
 - a. The maximum residential density as set forth in Section 17.12.040 of this Code, or established in any GDP or PUD approved pursuant to this Title that addresses residential density, **shall may** be increased by twenty percent (20%).
 - b. The maximum lot coverage as set forth in Section 17.12.040 or Section 17.12.050 of this Code, or established in any GDP or PUD approved pursuant to this Title that addresses **lot coverage residential density**, **shall may** be increased by twenty percent (20%).
 - c. **Notwithstanding subsection (a) above, a residential development in which at least 20% of the dwelling units are provided as on-site affordable housing units that meet all applicable requirements of this chapter shall be allowed an increase in maximum residential density of up to thirty percent (30%).** ~~Notwithstanding subsection (a) above, a residential development in which one hundred percent (100%) of the dwelling units are provided as on-site affordable rental housing units~~

~~in compliance with this Chapter shall be eligible for the maximum lot coverage increase provided in subsection (b) and shall instead be eligible for an increase in maximum residential density of up to thirty percent (30%), provided that:~~

- ~~i. All affordable rental units are restricted to households earning no more than eighty percent (80%) of area median income ("AMI"); and~~
- ~~ii. The average affordability level across all dwelling units does not exceed sixty percent (60%) of area median income ("AMI").~~

2. Reduced Parking. No minimum vehicle parking shall be required for any residential uses in a project that is eligible for incentives under this Section.
3. Development Fee Waivers. For projects eligible for incentives under this Section, the City shall waive zoning-related development review fees, including but not limited to rezoning, Planned Unit Development (PUD), subdivision, and site plan application fees, as identified in the City's adopted Development Review Fee Schedule. This waiver shall apply only to applications necessary to implement the on-site affordable housing component of the project and shall not apply to subsequent amendments or applications that do not add or modify affordable housing units, unless otherwise approved by the City Manager or designee.
4. Building Height. For any project eligible under this Section:
 - a. The maximum building height set forth in Section 17.12.040, any building height requirements set forth in adopted design standards and guidelines, or established in any GDP or PUD approved pursuant to this Title that addresses building height, may be increased by City Council to include an additional one (1) story or fifteen feet (15'), whichever is less, provided that the building contains the required on-site affordable housing units and City Council finds the increase to be consistent with the City's adopted plans and policies, including the Comprehensive Plan.
 - b. The building height incentive authorized in subsection (a) shall not apply to properties located within the Old

Town Overlay District as established in Section 17.12.050 of this Code.

- c. The building height incentive authorized in subsection (a) shall not apply to properties located within Core Area of Downtown Louisville, as governed by the Community Commercial (C-C) zoning district and the Design Handbook for Downtown Louisville.

- 5. **Expedited PUD Review. A development that provides on-site affordable housing in compliance with this chapter shall be eligible for expedited PUD review pursuant to Section 17.28.250, notwithstanding the eligibility criteria set forth in Section 17.28.250.B.**

Section 4. Section 17.12.040 of the Louisville Municipal Code is hereby amended by the addition of a new footnote 12 to read as follows:

17.12.040 Yard and Bulk Requirements.

FOOTNOTES

- 12. Projects eligible for incentives pursuant to Section 17.76.055 **shall receive the applicable residential density and lot coverage incentives and may receive other incentives provided in that Section, including the additional residential density bonus available for developments providing at least twenty percent (20%) on-site affordable housing.** ~~may receive the residential density, lot coverage, and other incentives provided in that Section, including the additional residential density bonus available for qualifying one hundred percent (100%) affordable rental developments.~~

Section 5. Section 17.12.050.A of the Louisville Municipal Code is hereby amended by the addition of a new footnote 12 to read as follows:

17.12.050 Yard and Bulk Requirements; Old Town overlay district.

A. *Conflicting requirements; affordable housing exception.* Within the area designated on the zoning district map as the Old Town overlay district, the regulations of this section shall apply in addition to any other applicable section of this title. To the extent that a specific yard and bulk requirement set forth in this section establishes a standard or requirement which conflicts with a yard and bulk requirement set forth in

any other applicable section of this title, the specific requirement in this section shall control. Notwithstanding the foregoing, the density and lot coverage incentives set forth in Section 17.76.055 shall be available for projects and buildings developed within the Old Town overlay district.

Section 6. Section 17.14.060, Table 3 (Mixed Use Zoning Districts Dimensional and Bulk Standards), of the Louisville Municipal Code is hereby amended by the addition of a new note 4 to read as follows:

17.14.060 Dimensional and bulk standards.

Notes to Table 3:

4. Projects eligible for incentives pursuant to Section 17.76.055 **shall receive the applicable residential density and lot coverage incentives and may receive other incentives provided in that Section, including the additional residential density bonus available for developments providing at least twenty percent (20%) on-site affordable housing.** ~~may receive the residential density, lot coverage, and other incentives provided in that Section, including the additional residential density bonus available for qualifying one hundred percent (100%) affordable rental developments..~~

Section 7. Section 17.20.010.F of the Louisville Municipal Code is hereby amended to read as follows (words to be deleted ~~stricken~~; words to be added underlined):

Sec. 17.20.010 Parking requirements.

F. Notwithstanding any parking requirements contained in the City's adopted design standards and guidelines or previously approved development plans, including Planned Unit Developments ("PUDs") and General Development Plans ("GDPs"), off-street parking shall not be required for new multi-unit or multifamily residential developments, ~~or~~ for adaptive reuse developments in which residential dwelling units occupy fifty percent (50%) or more of the total floor area, or for any residential uses in a project that provides on-site affordable housing pursuant to Chapter 17.76 of this Code.

Section 8. Section 17.20.020.A of the Louisville Municipal Code is hereby amended to read as follows (words to be deleted ~~stricken~~; words to be added underlined):

Sec. 17.20.020 Parking standards designated for each use.

A. Residential Uses:

1. For one-family dwellings and two-family dwellings with separate driveways, two spaces per dwelling unit (driveway and garage or carport areas defined as off-street parking space);
2. For multifamily dwellings containing three or more dwelling units, except as provided in Section 17.20.010.F, two spaces per dwelling unit;
3. For a residential hotel, roominghouse or boardinghouse, one space per guest accommodation;
4. For housing restricted to the aged, disabled, etc., one-half space per unit;
5. For dormitories and other lodging facilities and rooms for unmarried students, three spaces per four occupants;

Section 9. Section 17.76.030 of the Louisville Municipal Code is hereby amended to read as follows (words to be deleted ~~stricken~~; words to be added underlined):

Sec. 17.76.030. - Applicability, administration, and violations.

A. This chapter shall apply only to any development **containing ten (10) or more dwelling units and** receiving approval of a final plat, final planned unit development (PUD), or other similar planning approval after the enactment of this chapter, or, when an amendment to such approvals is requested after the enactment of this chapter, this chapter shall apply to the increase in residential units approved with such amendment. This chapter shall not apply to a development for which a complete application for a site-specific development plan, as defined in section 17.54.020, has been submitted prior to the effective date of this chapter, provided the development approved by such site-specific development plan is commenced within the timeframe provided by this Code for issuance of a building permit for such plan. Developments for which an affordable housing restrictive covenant agreement has been entered into with the city prior to the effective date of this chapter may develop in compliance with the affordable housing conditions contained in those agreements.

Section 10. If any portion of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares it would have passed and approved this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

Section 11. The repeal or modification of any provision of the Municipal Code of the City of Louisville by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

Section 12. All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

Section 13. Any person convicted of violating this ordinance may be punished as set forth in 1.28.010 of the Louisville Municipal Code, as may be amended but which currently provides violations shall be punished by a fine of not more than \$2,650.00, as shall be adjusted for inflation on January 1, 2014 and on January 1 of each year thereafter, or by imprisonment not to exceed 364 days, or by both such fine and imprisonment.

**INTRODUCED, READ, PASSED ON FIRST READING, AND ORDERED
PUBLISHED THIS ____ DAY OF _____, 2026.**

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, City Clerk

**PUBLIC HEARING AND SECOND READING WILL BE THE ____ DAY OF
_____, 2026, AT 6:00 P.M. AT LOUISVILLE CITY HALL, 749 MAIN STREET,
LOUISVILLE, CO 80027.**

**PASSED AND ADOPTED ON SECOND AND FINAL READING, THIS ____ DAY
OF _____, 2026.**

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, City Clerk

APPROVED AS TO FORM:
Kelly PC

Kathleen M. Kelly, City Attorney