

Residential Growth Limitation Ordinance *Handbook*



Lakewood
Colorado

2021

INTRODUCTION

In 2019, Lakewood residents voted to enact a residential growth limitation, found in [Chapter 14.27 of the Lakewood Municipal Code](#). The adopted ordinance establishes a building permit management system that limits growth for residential units in the city to no more than one (1) percent of the total housing stock per year.

The ordinance provisions apply to the issuance of building permits for all dwelling units within the City of Lakewood, including single-family homes, townhomes, for-rent apartment units, condominiums, and accessory dwelling units (ADUs) with some exceptions:

- Structures located on land that is designated “blighted” per the definition in Colorado State Statute (CRS 31-25-103) (2). For more information you can reach out to the Lakewood Office of Economic Development at ED@Lakewood.org.
- Structures located on a campus owned by a college or university and which are used to house only college or university students, staff, or faculty.
- A dwelling unit may be replaced with another dwelling unit without obtaining an allocation, provided that the replacement unit is located on the same parcel, tract, or lot.
- Mobile homes in operating mobile home parks may be removed and replaced with another mobile home without obtaining an allocation.

For all other residential projects, the following resources are provided for assistance and to address frequently asked questions.

CONTACT US WITH QUESTIONS

POD@Lakewood.org | 303-987-7571

CONTENTS

4 | ALLOCATIONS

6 | ALLOCATION POOLS

8 | BANKING PLANS

10 | 2021 SCHEDULE



1 | ALLOCATIONS

WHAT IS AN ALLOCATION?

An “**Allocation**” acts as a ticket which grants the City the authority to issue a building permit for a new residential dwelling unit. The number of allocations available to be issued throughout each calendar year is limited and allocations must be applied for with the City.

GENERAL GUIDELINES

The allocation process is a system of managing how many residential building permits are issued in Lakewood each year and has the following general guidelines:

1. An allocation must be issued before a project can receive a building permit.
2. One allocation is required for each dwelling unit that will be built
3. City Council will not grant more than 40 allocations to a development in a calendar year unless...
 - An accumulation of allocations will not prejudice the rest of the process; AND
 - That there is an unmet community need for such a development; OR
 - There are leftover allocations available from the current year that have not been used.

WHO IS ELIGIBLE FOR ALLOCATIONS?

Applicants must have completed all other steps necessary to apply for and receive a building permit. This includes necessary zoning and subdivision approval, a pre-submittal conference, and site plan review with Development Assistance Staff. Preparation of building and construction plans is not required to apply. Visit the [Building Permit and Construction homepage](#) and the [Property Development Information webpage](#) for more information.

HOW DO I APPLY

Application forms for residential dwelling unit allocations can be found online at www.lakewood.org/Government/Departments/Planning/Development-Applications.

Applications for allocations can be submitted at any time prior to the last 30 days of the applicable allocation period; however, priority will be given to applications submitted at least seven (7) days prior to the start of the allocation period.

HOW DO I USE AN ALLOCATION?

An allocation for a residential dwelling unit is used when a building permit is issued for the unit. Allocations are considered unused when a building permit has not been issued for it during the allocation's period of validity.

HOW LONG IS AN ALLOCATION VALID?

Allocations can only be used from the date that they are issued through the last day of the allocation period that they have been issued for. At the end of the period they will expire.

- **Can I extend the period of validity for my allocation(s)?**

It is possible to extend the period of validity for allocations into subsequent allocation periods through the approval of a banking plan request ([page 8](#) for more information).

- **What happens if I can't use my allocations in time?**

Allocations that will not be used during the period of validity, and that are not a part of an approved banking plan, must be surrendered any time in the period up to 30 days prior to the end of the period. Applicants who surrender unused allocations before this time will not be penalized. NOTE: Allocations in the year-end Surplus Pool cannot be surrendered.

- **What if the allocations aren't used or surrendered in time?**

Failure to use or surrender allocations before the necessary dates will cause the holder(s) of the allocations to become ineligible to receive new allocations for one (1) year from the last day that the unused allocations are valid.

HOW MANY ALLOCATIONS ARE AVAILABLE?

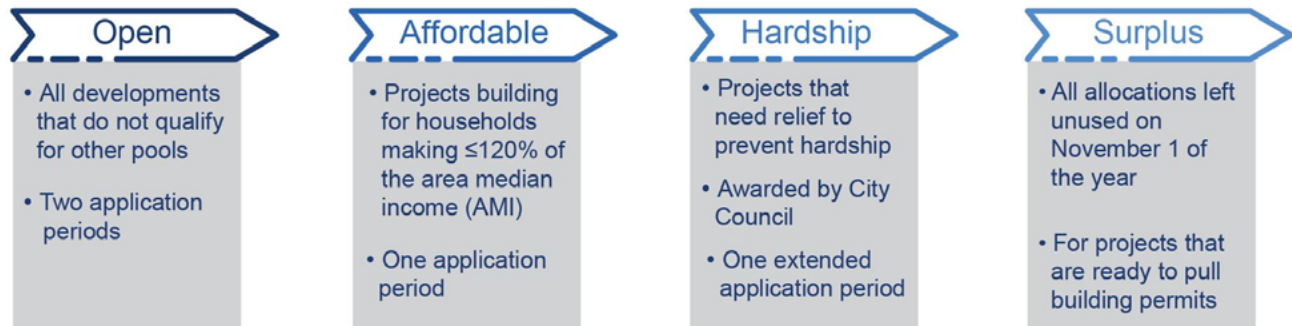
Lakewood City Council determines the number of allocations available for each calendar year. The number is based on a number equal to one (1) percent of the total number of dwelling units estimated to exist in the City the previous year.

The total number of allocations will be split up and assigned to four (4) different categories,

- Open Pool
- Affordable Pool
- Hardship Pool
- Surplus Pool

2 | ALLOCATION POOLS

WHAT POOL SHOULD I APPLY FOR?



Open Pool

Allocations for all residential developments that do not qualify for other pools.

- For each open pool period, one allocation will automatically be issued to each applicant that has applied seven (7) days prior to the start of that period, if enough are available.
- Any remaining requests will be distributed to applicants on a pro rata basis.

Affordable Pool

Allocations for residential projects which promise to develop units for households earning up to 120 percent of the Area Median Income (AMI).

- Affordable allocations are only available to qualifying projects in the first allocation period of each year (January 1 - May 31).
- At the end of the first period, any affordable allocations that are not used will be transferred to the open pool for distribution in the second period.
- Projects issued allocations from the affordable pool will contain documentation of the provisions, listed in Chapter 14.27.090 §C of the Municipal Code, that assures affordability of the planned residential units.

Hardship Pool

Allocations for applicants that are found to have experienced hardship or unusual circumstances that merit relief.

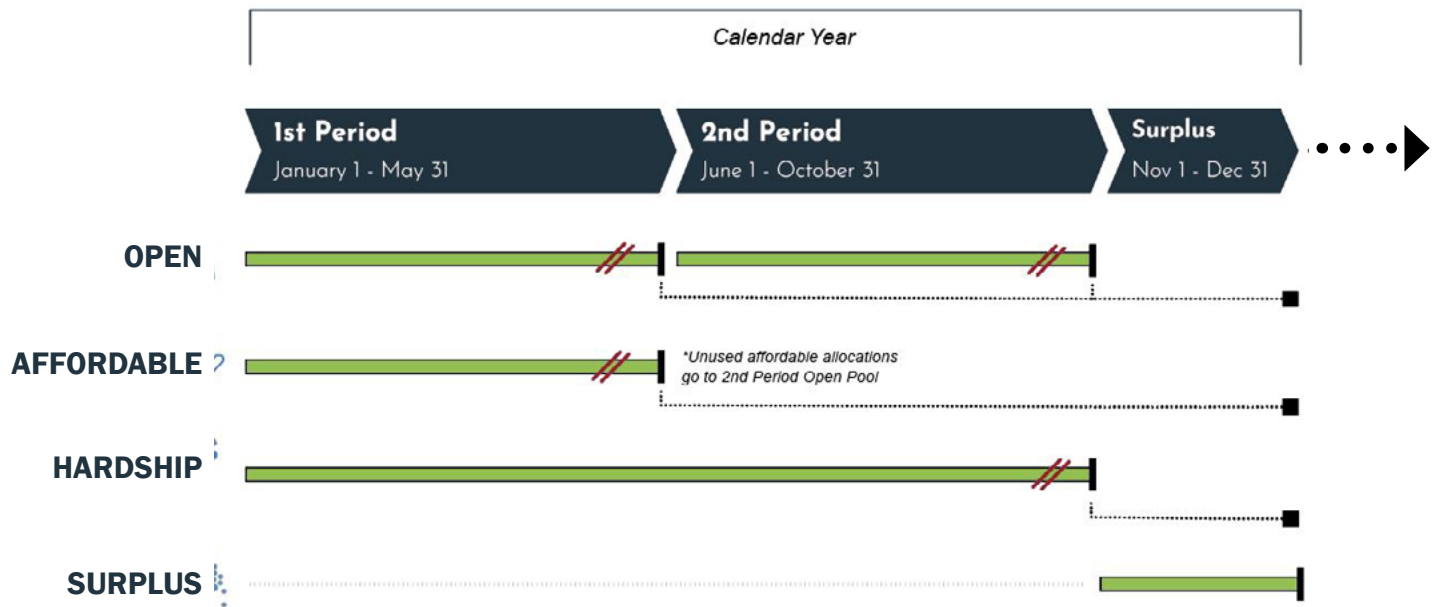
- All developments otherwise eligible to apply for allocations in general can request to be considered for this pool.
- City Council will determine if criteria for this pool, established in Chapter 14.27.090 §B of the Lakewood Municipal Code, have been met and will distribute hardship allocations at their discretion.

Surplus Pool

A year-end pool with the intent to distribute unused and excess allocations that are still available on November 1 of each year.

- One allocation will be issued to each surplus pool applicant if enough are available.
- Any remaining requests will be distributed to applicants on a pro rata basis.
- Surplus pool allocations cannot be surrendered and are intended to be used for projects that are ready to pull building permits prior to the end of the calendar year.
- Unused Surplus allocations will be used to fill approved banking plans.

WHAT IS THE ALLOCATION POOL SCHEDULE?



LEGEND

	Period that an Allocation is Valid		30 Days Before the End of the Period and Deadline to Surrender Unused Allocations
	Deadline to Use Allocations		30 Days Before the End of the Period and Deadline to Surrender Unused Allocations
	Banking Plan to Extend Allocation Validity Through the End of the Year		

3 | BANKING PLANS

WHAT IS A BANKING PLAN?

A “**Banking Plan**” is a process through the City that can extend the period of validity for residential allocations so that they may be used in subsequent allocation periods. The following outlines the banking plan process.

BANKING 40 ALLOCATIONS OR LESS

How does it work?

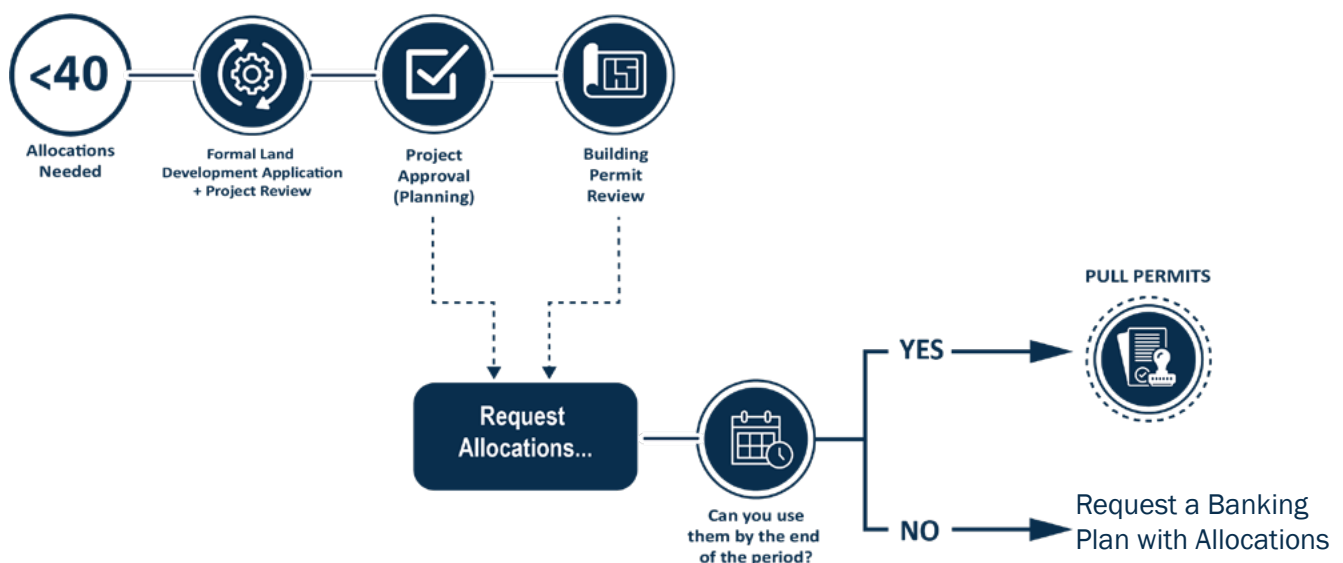
The Director of Planning may approve and issue an **administrative banking plan** for residential projects with 40 units or less if the number of units in the banking plan is equal to the total number of units in the project.

When can I apply for an administrative banking plan?

Projects with 40 units or less can apply for a banking plan when they apply for allocations or within 10 days of receiving allocations.

How long does the banking plan last?

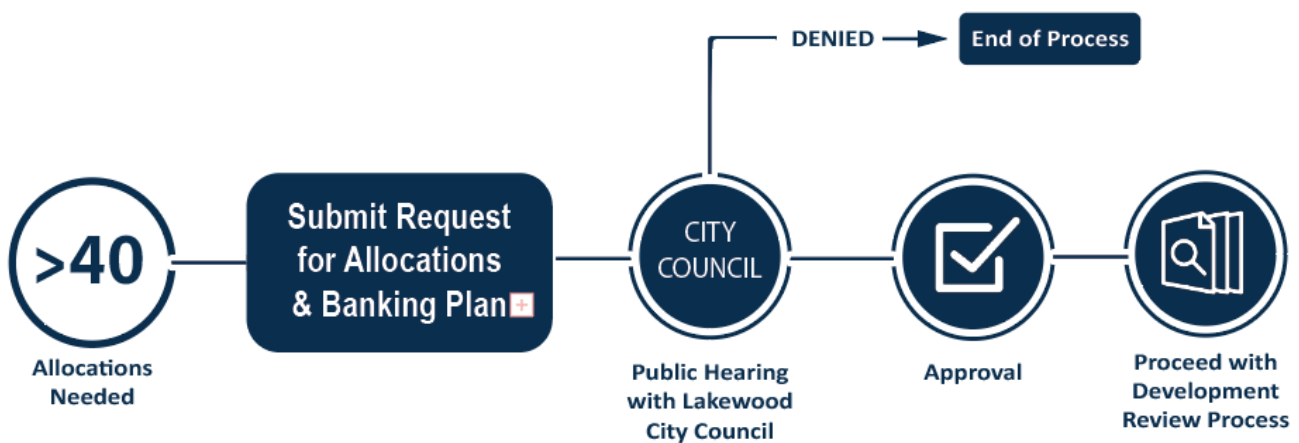
- 1. End of the Year:** Allocations in an administrative banking plan must be used by the end of the calendar year or surrendered by November 1.
- 2. Beyond the End of the Year:** The Lakewood Planning Commission may extend a banking plan beyond the end of the year through a public hearing process. Extension requests are subject to the conditions listed in Chapter 14.27.100 §F of the Lakewood Municipal Code.



BANKING MORE THAN 40 ALLOCATIONS

Projects with over 40 units must go through a public hearing review process with Lakewood City Council. These projects will apply for a banking plan and allocations at the same time. The application requires the following information.

- The total number of dwelling units in the project.
- The number of allocations to be banked.
- The reasons for seeking a banking plan.
- The time period during which the validity of allocations is proposed for extension.



4 | 2021 SCHEDULE

December 24, 2021	Deadline for 1st Period priority applications
January, 2021	Allocations distributed for 1st Period *
April 30, 2021	Deadline to surrender any unused 1st Period Allocations
May 24, 2021	Deadline for 2nd Period priority applications
May 31, 2021	Deadline to pick up building permits to use 1st Period Allocations
June 1, 2021	Allocations distributed for 2nd Period *
September 30, 2021	Deadline to surrender any unused 2nd Period Allocations
October 25, 2021	Deadline for Surplus Pool priority applications
October 29, 2021	Deadline to pick up building permits to use 2nd Period Allocations
November 1, 2021	Allocations distributed for Surplus Pool applications only for building permits that will be issued before the end of the year
November 1, 2021	Deadline to surrender any unused Allocations in an approved banking plan
December 27, 2021	Deadline for 1st Period priority (2022) applications
December 31, 2021	Deadline to pick up building permits to use Surplus Period Allocations

** The City issues allocations in the order that applications are received and applications may take some time to process. Allocation issuance letters will be distributed as applications are processed and may not be issued exactly on the first day of the applicable period.*

