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HOME BUILDERS  
ASSOCIATION  
of  
METRO DENVER®

December 14, 2022

City of Commerce City  
Mayor Benjamin Huseman  
Members of City Council  
7887 E. 60<sup>th</sup> Avenue  
Commerce City, CO 80022

Dear Mayor and City Council:

I am writing to provide input on Commerce City's proposed Ordinance 2453, placing a moratorium on residential metropolitan districts.

These comments are being provided on behalf of the Home Builders Association (HBA) of Metro Denver.

The HBA of Metro Denver represents over 400 homebuilders, developers, remodelers, architects, mortgage lenders, title companies, subcontractors, suppliers, and service providers in the eight metro-area counties we serve.

In the City of Commerce City, the HBA of Metro Denver represents many active builders and developers within the municipality with nearly 700 registered permits just this year.

The HBA was incredibly disappointed to see this moratorium proposed during the City Council Study Session on Monday, November 7<sup>th</sup>. We believe this action will set Commerce City back significantly, both in terms of much needed housing supply and high-quality commercial investment, as well as significantly raising the upfront cost of housing, impacting countless numbers of aspiring homeowners.

Additionally, the proposed moratorium flies in the face of the countless hours of work dating back to March of 2021 by City staff, community members, and experts from the development and financing community who volunteered time to work on modifications and improvements to the current standards.

Moratoria are the most drastic of measures and create ripple effects and unintended consequences which last for years or decades. Commerce City, like other municipalities across the metropolitan area, is severely undersupplied in terms of housing units. This supply shortage has aggravated real estate prices throughout the region and pushed hardworking families further away from where they work, increasing traffic demands and decreasing productivity.

Metropolitan districts are simply a way for development to pay for itself while simultaneously lowering the upfront cost of homeownership for the vast majority of Coloradoans. The alternatives to metropolitan districts are slowing or halting development, or significantly raising the price of development and harming those who wish to call Commerce City home.

Prior to City Council's proposed moratorium, the City worked diligently on a metro district reform proposal and studied the potential consequences new regulations might have on the City and its' citizens. The City even hired a

third-party consultant, Economic and Planning Systems (EPS) to provide independent analyses on potential economic impacts.

In contrast, it is now apparent that City Council has decided to abandon that proposal and adopt a moratorium on metro districts without conducting any meaningful analysis on the potential impacts such a ban would have on future residential or commercial development, economic growth, local tax and impact fee revenues, housing attainability, or the general quality of life for Commerce City residents.

Commerce City is a desirable place to be. That is a positive, which can be harnessed through proper neighborhood and comprehensive planning, building standards and other normal tools used to control development. Placing a moratorium on metropolitan districts is an extreme measure that does nothing to solve any problems, it only obscures them.

The Home Builders Association supports smart regulations on metropolitan districts so this important tool for financing and building public infrastructure and amenities can continue. Again, without metropolitan districts, cities are not able to pay for infrastructure like streets, sidewalks and parks to serve new development. And based on recent housing figures and trajectory, our supply/demand issue with housing is not going to get better unless and until we can find ways to drive down the cost of housing (not up).

In conclusion, the HBA urges Council Members to vote against this moratorium, as it disrespectful to the hard work of City staff and community members who worked on the revisions to the City's current standards. This action will do harm to the City and hardworking residents who call Commerce City home. We believe this moratorium is a hasty maneuver, which has not been thought through and circumvents the most important part of policy-making—public process.

If this moratorium passes and complaints about housing affordability, diminishing tax revenue and inadequate commercial development increase - it will be easy to identify this vote as the reason why.

Thank you for your consideration of our concerns. Please do not hesitate to contact us if you have any questions.

Sincerely,



Ted Leighty  
Chief Executive Officer  
Home Builders Association of Metro Denver

Cc: Jason Rogers, City Manager  
Jim Tolbert, Community Development Director  
John Bourjaily, Management Analyst