

**WEEKLY INFORMATION PACKET
MEMORANDUM**

To: Mayor McGrath and City Council

From: John Pollak, Housing & Human Services Co-Director
Jann Oldham, Housing/Community Development Manager

Date: April 9, 2008

Subject: Information Item: Housing & Human Services – Affordable Housing Review
Community Process

EXECUTIVE SUMMARY:

The Department of Housing and Human Services has initiated a review of the affordable housing program. Staff submitted the *Affordable Housing Report* to Council on February 27, 2008 to provide Council members and the community with information concerning Boulder's current affordable housing goal and progress on the goal.

The next step of the process is to engage the public in the review of the program and develop options for the affordable housing program. As requested by City Council on March 4, 2008, staff is providing information about the upcoming public process for the affordable housing review.

FISCAL IMPACT:

Budgetary: HHS may use consultants to facilitate focus groups as part of the review at an estimated cost of \$10,000 dollars. This cost can be covered out of the Division of Housing's 2008 budget.

Staff Time: The staff time associated with this project will be accommodated within the 2008 HHS, Division of Housing work plan and budget.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS:

- **Social:** Affordable housing provides an opportunity to positively affect the lives of low and moderate-income residents and to enhance the social fabric of the city. Housing for people with special needs addresses a core challenge for vulnerable members of the community.
- **Economic:** Affordable housing production contributes to state and local sales tax revenues and fees. Offering affordable housing choices to families with modest incomes also provides a stepping-stone for gaining economic self-sufficiency in lower paid job sectors by providing a firm foundation for the working poor. The development of workforce housing also supports the retention and attraction of employees in the community.
- **Environmental:** Housing and Human Services contribute to the health, viability, livability and diversity of the broad community. Providing affordable housing makes it possible for employees to live in the community in which they work, which helps to reduce commuting, traffic congestion and sprawl.

BACKGROUND:

The city has made significant progress towards creating housing opportunities for households with modest incomes. Data from the *Report* includes:

Progress toward the 4500 unit goal: 2,834 units through 2007

Existing Priorities	Through 2007
Income Targets 35% to households below 30% AMI 40% to households between 30 – 60% AMI 25% to households between 60 – 80% AMI	31% - below 30% AMI 52% - 30 – 60% AMI 17 % - 60 – 80% AMI
New Construction vs. Acquisition of Existing 45% from new construction 55% from existing inventory	56% from new construction 44% from existing inventory
Rental vs. Home Ownership 61% rental 39% homeownership	74% rental 26% homeownership

Who is served?

	1 person Household	2 person Household	3 person Household
HUD 30% AMI	\$18,250	\$20,900	\$23,500
HUD 50% AMI	\$30,450	\$34,800	\$39,150
CHAP 60% AMI	\$36,480	\$41,820	\$46,980
HUD Low Income Limit (68.5% AMI) (CDBG and HOME)	\$41,700	\$47,700	\$53,650
HUD Low Income Limit + 10% (78.5% AMI) (Moderate Income; Inclusionary Zoning)	\$47,731	\$54,719	\$61,470
HUD Low Income Limit + 50% (Middle Income)	\$72,960	\$83,640	\$93,960

“Area Median Income” is the median household income as adjusted for family size, as determined annually by the U.S. Department of Housing and Urban Development. It is the most widely used benchmark for establishing income

ANALYSIS:

As planned, the public process will consist of two phases. It will include the elements described below. City Council, Planning Board and the community will be invited to provide input on the current program and future direction. Other proposed participants include for-profit developers, non-profit developers and service providers, civic groups, and advisory groups.

Phase 1 : Revisit and modify housing goals as needed
(April – July 2008)

Small group discussions with specific groups: developers, residents of affordable rental and owner occupied housing, service providers, civic groups)
Survey of large local employers with in-commuters
Community forum(s) for the public
City Council Study Session
Development of Policy options for City council consideration

Phase 2 : Review potential strategies and tools (including modifications to Inclusionary Zoning)
(August – November 2008)
Stakeholder meetings with for profit-developers, non-profit developers
Community forum for the public
Planning Board consideration of modifications to Inclusionary Zoning (IZ)
City Council approval of program modifications

Staff will also convene a group of individuals with expertise or concern about housing to check work in progress and help develop options for the program.

Throughout the process, participants will consider questions in several categories. Not all questions will be considered in every element of the process.

Community Values

- What do people (community at large) value or dislike about affordable housing?
- What are the community's central concerns?
- To what extent should progress toward the goals rely on growth and/or annexation?
- What should be the balance between benefit to the community and benefit to the individual?

Affordable Housing Goals and Strategies

- Do we want to keep the established program goals and targets?
- If we want to change them, in what ways?
- Are the goals achievable? Are they aggressive enough?
- Do we have an appropriate mix of types of affordable housing?
- Where should affordable housing be located?
- Is additional data needed to inform decisions?
- Are there additional lessons learned or "best practices" from other communities that merit research?

Funding Priorities

- Should public funding be used to subsidize middle-income households?
- Should limited resources be reallocated to increase funding for service-enriched housing for people with special needs? Seniors?

Inclusionary Zoning

- Should IZ requirements vary based on type of development?
- Should revisions be made to the criteria under which a developer is allowed to meet the entire IZ requirement off-site?
- Should IZ apply to residential redevelopment?
- Should IZ apply to congregate care developments?
- Should non-residential development support affordable housing community benefit?
- Currently, there is a 1200 square foot maximum for the average size requirement for permanently affordable units. This maximum also applies to the cash-in-lieu calculation. Should revisions be considered regarding this maximum square footage?
- Should the provision of on-site permanently affordable housing be included as part of site review criteria?
- Should flexibility be provided that will allow equivalent community benefit through the provision of housing that is affordable to very low income or middle income households instead of the current low/moderate income requirement?
- Cash-in-lieu - Is the amount sufficient to subsidize the purchase or development of equivalent affordable housing benefit?

New Initiatives

- Are there other funding sources we should consider?
- Should we look beyond IZ and consider using other regulatory tools and/or changing the development process to achieve our affordable housing goals?
- Should we utilize ADU's to achieve the goal and if so, how?
- Are there additional opportunities for the City to pursue regional strategies?
- What should we learn from the types of units added and who they serve since the goals were established?
- Should strategies be developed to increase community awareness about affordable housing?
- If so, what strategies should be developed?

NEXT STEPS:

City Council will have opportunity to provide feedback to staff regarding the process at its April 15, 2008 Council meeting.

For more information or if you have questions, please contact Jann Oldham at phone 303-441-3167 or email oldhamj@bouldercolorado.gov