



2008/2009 Review of the City of Boulder's Affordable Housing Program

The Department of Housing and Human Services is in the process of reviewing the city's affordable housing programs.

Phase I: Social Policy Review: Evaluation of current programs, goals, and priorities is completed pending Council review and Phase II: Regulatory Review, an assessment of regulatory tools, is underway. Information on both phases will be presented to Council at a Study Session planned for February 24th, 2009. Staff expects to bring options for modifying the ordinance and regulations to Planning Board and Council in April of 2009. Additional public meetings to review proposed options will be scheduled prior to the Planning Board and Council meetings. More information about the project can be found on the web at: <http://www.boulder affordablehomes.com> click on CHAT's: A Review of Boulder's Affordable Housing Programs.

Regulatory Review (October 2008 – April 2009)

Includes assessment of the following:

1. Cash-in-lieu, and annual adjustment
2. On-site requirement
3. Residential redevelopment, should there be an IZ requirement for demolition and redevelopment and/or large additions
4. Middle income, how to best serve
5. Incorporate Inclusionary Zoning into Site Review
6. Land swap off-site option, adjustments to clarify
7. Equivalencies for a range of incomes, to allow IZ to serve a wider range of incomes
8. Changes to the pricing methodology
 - a. Include garages in calculation to determine the affordable sales price
 - b. Consider raising the 1,200 square foot max. size for an affordable unit
9. Update code language and references

New Initiatives (April 2009- August 2009) will include assessment of the following:

1. Explore new funding sources such as exploring charitable gift annuities to acquire affordable homes
2. Accessory Dwelling Units – as a tool to increase affordable housing
3. Regional strategies
4. Congregate Care, increase affordable options for seniors
5. Annexations - clarify requirements
6. Increase community awareness about affordable housing

For more information contact:

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Regulatory Review a brief summary of each issue and why it's on the list for review.

1. Cash-in-lieu, and annual adjustment.

The cash-in-lieu option was developed and adopted as representational of the gap between what an affordable buyer can pay and the average market price of an attached or detached dwelling unit. Cash-in-lieu amounts are adjusted each year by the change in the median sale price of attached and detached housing.

Why is this being reviewed?

- Current method for adjusting the cash-in-lieu yearly is not keeping up with the increased gap between what affordable buyers can pay and the price of market rate housing.
- There is concern that current cash-in-lieu amounts are too low, given the price of market rate housing, making this the most attractive option for developers.
- So-called “luxury” units in prime locations pay the same cash-in-lieu amounts as other, less luxurious market units

2. On-site requirement

The Code specifies that at least half of the required units must be provided on-site. A variance for building less than 50% of the required affordable units on-site is allowed if off-site units will accomplish “additional benefits” for the city.

Why is this being reviewed?

- The intent of Inclusionary Zoning is to acquire on-site affordable housing as part of every residential development. Many projects do not build any affordable housing on-site, opting instead to “buy out” of the requirement by paying cash-in-lieu of units.
- Council has specifically asked staff to look at an on-site requirement in the downtown and TVAP areas.

3. Residential redevelopment and/or large additions.

Residential redevelopment, demolition and/or large additions are not subject to Inclusionary Zoning requirements.

Why is this being reviewed?

- Residential redevelopment, demolition and/or large additions remove housing that is relatively more affordable from the cities housing stock replacing it with more expensive homes. For this reason it may be appropriate for this type of development to have some type of Inclusionary Zoning requirement.

4. Middle income

Currently, Inclusionary Zoning provides affordable units for low to moderate incomes up to the HUD +10% income limit (a standard that equates to just below middle income). The affordable housing program acquires housing affordable to middle income households through annexations where we usually get a split of half low income and half middle.

Why is this being reviewed?

- There is concern about the growing gap between households that qualify for the affordable program and those that can afford a market rate home. The housing type available to middle-income households, condos or other multi-family style housing, is seen as not as attractive to families.
- Council is interested in how we can assist and support the creation or retention of both affordable and market rate housing that is available to middle-income households.

5. Incorporate Inclusionary Zoning into Site Review

The ways in which Inclusionary Zoning requirements are met are not currently reviewed in context of the other site review criteria such as height and parking variances.

Why is this being reviewed?

- Including affordable housing as part of site review would provide the ability to look at trade-offs in a project in a more comprehensive way.
- Including affordable housing as part of site review would allow the planning board and council more oversight of when and where off-site options are allowed.

6. Land swap off-site option

Currently several variations on land donations are allowed as off-site options allowed for meeting the IZ requirement.

Why is this being reviewed?

- Code language does not address the zoning of the land or its location as appropriate for housing.

7. Equivalencies for a Range of Incomes

Inclusionary Zoning requires that 20% of all newly constructed units be made permanently affordable to low and moderate income households with incomes at HUD +10% level (a standard that equates to just below middle income).

Why is this being reviewed?

- Acquiring affordable units that serve a wider range of incomes would allow flexibility in the program whereby staff could be more responsive to demand rather than approaching it strictly from the supply side and could result in a wider diversity of households in a project.

8. Changes to the pricing methodology

Garages up to 500 square feet are not included in the floor area calculation or otherwise given consideration in unit pricing.

Why is this being reviewed?

- Garages serve as storage and are desirable for affordable owners. Consider including them in the allowable sales price to provide an incentive for including them with affordable units.

Consider raising the 1,200 square foot maximum for an affordable unit

The Code caps the required average floor area of the affordable units at 1,200 SF

Why is this being reviewed?

- Affordable units should be reasonably comparable to market units which are trending toward larger units. Size discrepancies run counter to that.
- To the extent larger units have more bedrooms they can serve larger households and families.
- Larger units could have higher HOA dues, which reduces affordability or requires price reductions.

9. Update code language and references

Comment Form

Inclusionary Zoning Review Community Meetings Friday, December 12, 2008 - Monday, December 15, 2008

Comments can be submitted at either community meeting or by contacting Michelle Allen, Housing & Human Services: E-mail: allenm@bouldercolorado.gov
Fax: 303-441-4368 (Attn. Michelle)
Phone: 303-441-3157

Name: _____

Community Role: _____ (i.e., Developer, Realtor, Community Member, etc.)

Phone: _____

E-mail: _____

Issue:

Comments:

Issue:

Comments: