Boulder City Council
STUDY SESSION
Televised

Tuesday
October 25, 2016
EARLY START
5:30-9 p.m.

5:30-6 p.m.
2017 Legislative Agenda

6-7:30 p.m.
30th and Pearl Redevelopment Options

7:30-9 p.m.
Middle Income Housing Strategy Subcommittee Report

Council Chambers
Municipal Building
1777 Broadway

Submit Written Comments to City Council, ATTN: Lynnette Beck, City Clerk, 1777 Broadway, P.O. Box 791, Boulder, CO 80306 or Fax to 303-441-4478 or E-mail: council@bouldercolorado.gov

Anyone requiring special packet preparation such as Braille, large print, or tape recorded versions may contact the City Clerk's Office at 303-441-4222, 8 a.m. – 5 p.m. Monday through Friday; two business days notification prior to the meeting is required for special packets. The Council Chambers is equipped with a T-Coil assisted listening loop and portable assisted listening devices. Individuals with hearing or speech loss may contact us using Relay Colorado 711 (711 or 800-659-3656).

If you need Spanish interpretation or other language-related assistance for this meeting, please call (303) 441-1905 at least three business days prior to the meeting. Si usted necesita interpretación o cualquier otra ayuda con relación al idioma para esta junta, por favor comuníquese al (303) 441-1905 por lo menos 3 negocios días antes de la junta.

STUDY SESSION MEMORANDUM

TO: Mayor and Members of City Council

FROM: Carl Castillo, Policy Advisor
Kate Busse, Management Analyst (Intern)

DATE: October 25, 2016

SUBJECT: Study Session to provide input on the proposed 2017 State and Federal Legislative Agenda

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EXECUTIVE SUMMARY

The purpose of this portion of the study session is to allow council to provide input on the city's proposed 2017 State and Federal Legislative Agenda (the "2017 Agenda," **Attachment A**). Proposed substantive changes to the positions carried over from the 2016 Agenda are summarized below and reflected using strike-through and double-underline formatting in the attachment.

Once approved, the 2017 Agenda will be available to present to the city's state legislative delegation at a breakfast scheduled for Dec. 15, 2016 and to the city's congressional delegation during a visit to Washington D.C. anticipated sometime in 2017. An approved 2017 Agenda will also provide individual council members and city staff with the authority to actively advocate on behalf of the city for the stated positions as other opportunities arise during the remainder of 2016 and throughout 2017. Beyond direct legislative advocacy and coalition building, the city will also use this authority to attempt to influence positions adopted by intergovernmental organizations that also engage in legislative advocacy. The following is a partial list of such organizations along with reference to that organization's most recently adopted legislative agenda or equivalent policy document:

- Boulder County Consortium of Cities' *2016 Legislative Agenda* (**Attachment B**)
- Colorado Communities for Climate Action's *Proposed Policy Statement* (**Attachment C**)
- Colorado Municipal League's *2016-2017 Policy Statement*

- Denver Regional Council of Governments' *Policy Statement on State Legislative Issues* and *Policy Statement on Federal Legislative Issues*
- Denver Metro Mayors Caucus' *Positions, Resolutions, and Other Decisions*
- National League of Cities *2016 National Municipal Policy and Resolutions*
- U.S. 36 Mayors and Commissioners Coalition's *Policy Agenda* (**Attachment D**)

KEY ISSUES IDENTIFIED

The following is a summary of the proposed substantive changes to the currently approved 2016 Legislative Agenda. It is important to note that, although these changes are highlighted, Council is being asked to approve the proposed 2017 Agenda in its entirety, including those positions proposed to be carried over from 2016. Council members are therefore asked to review the entire document and to let staff know if they have concerns or questions with any of the proposed positions.

State Legislative Priorities

1. Conversion and updating of existing priority on implementation of Clean Power Plan rule to shift it from a position of defense to one of proactive support (p.12).

2. New priority position encouraging electric utilities to support adoption of electric vehicles (p.13).

3. Expansion of existing position on Hospital Provider Fee to place it in the larger context of support for eventually "de-Brucing" state's budget new position encouraging electric utilities to support adoption of electric vehicles.

Climate Change and Community Resilience

4. New position supporting adoption of comprehensive state climate mitigation goals and implementation strategies (p.9).

5. Modification of existing position to clarify that the city supports not only removing the 120 percent cap on net metered generation, but also increasing that cap (p.10).

6. Modification of existing position to clarify that the city's support for a third-party demand side management program implementer includes energy efficiency and distributed generation programs (p.11).

7. New position indicating support for the P.U.C. to include all environmental and health costs and risks (i.e. social cost of carbon) when evaluating integrated resource plans of the investor-owned utilities (p.12).

8. Conversion and updating of existing position on implementation of Clean Power Plan rule to shift it from a position of defense to one of proactive support (p.12).

9. New position supporting an increase in the state's renewable energy standard and application of such standard to all qualifying utilities (p.12).

10. New position relating to creation or membership in any future regional transmission organization (p.12).

11. New position supporting expansion and extension of state's energy efficiency resource standard (p.12).

12. New position supporting continued and expanded funding to help low-income Coloradoans to meet their energy needs (p.13).

13. New position encouraging electric utilities to support adoption of electric vehicles (p.13).

Housing

14. New position supporting incentivizing owners of mobile home parks to submit disputes to mediation (p.21).

Local Control

15. Expansion of existing position on protecting local control to clarify city's opposition to state interference with municipal court operations and decisions by cities to charge fees for services (p.26).

16. New position to protect the municipal justice systems ability to combat homelessness (p.26).

Public Health and Safety

17. Expansion of existing position on regulation of marijuana urging restrain in the introduction of new marijuana laws (p.32).

Tax Policy

18. New position of support for preserving the municipal bond federal income tax exemption (p.36).

Transportation

19. Clarification of transportation funding position to clarify city's prioritization for both new and existing transportation funding (p.37).

20. New position supporting the extension of authority to fund Regional Transportation Authorities (p.39-40).

Questions for Council

1. Does council wish to make changes to the proposed 2017 State and Federal Legislative Agenda, either to the newly proposed positions or to positions proposed to be carried over from the 2016 Agenda?

2. Does council have any questions or concerns about the city's past or proposed approach to implementing its legislative agenda?

BACKGROUND

The 2017 regular session of the Colorado General Assembly is scheduled to convene on Jan. 11, 2017. Each legislator is allowed to introduce five bills. The deadline for legislators to request their first three bills is Dec. 1, 2016 and Dec. 15th for newly elected members. Unless "late bill" status is granted, all bills must be introduced no later than Feb. 1, 2017.

In order to develop the proposed 2017 Agenda, modifications to the positions included in the city's 2016 Agenda were made. In making these modifications, several considerations were taken into account, including:

1. A review of the 2016 state legislative session;
2. A review of the 2nd session of the 114th Congress;
3. Input from city staff and council's legislative committee, and;
4. Discussions with the city's regional partners

Council's Legislative Committee (Mayor Jones and Council Members Appelbaum and Weaver, the "Committee") met on Sept 13th to review and provide input on an early version of the proposed 2017 Agenda. The Committee recommended several changes, all which have since been incorporated into the proposed 2017 Agenda under consideration by council.

NEXT STEPS

Staff will incorporate the changes to the 2017 Agenda that council requests during this Study Session. Council will then have an opportunity to formally adopt the revised agenda at its Nov. 15, business meeting. Once approved, the 2017 Agenda will be presented to the city's state legislative delegation at a breakfast scheduled for Dec. 15, 2016 and to its congressional delegation during a visit to Washington D.C. anticipated sometime next year.

ATTACHMENTS

Attachment A – Proposed City of Boulder *2017 State and Federal Legislative Agenda* (substantive policy revisions reflected)

Attachment B – Boulder County Consortium of Cities' *2016 Legislative Agenda*

Attachment C – Colorado Communities for Climate Action *Policy Statement*

Attachment D – U.S. 36 Mayors and Commissioners Coalition's *Policy Agenda*

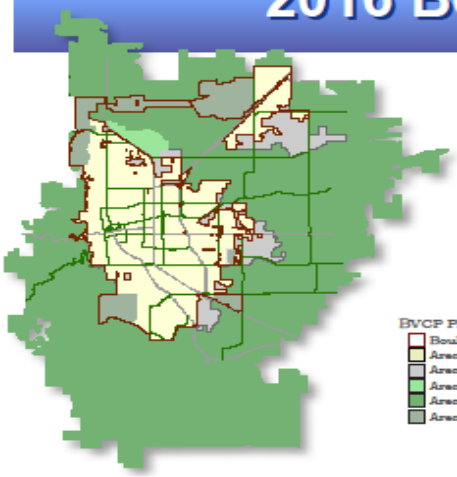
2017

State and Federal Legislative Agenda

DRAFT as of

October 10, 2016

2016 Boulder Community Profile

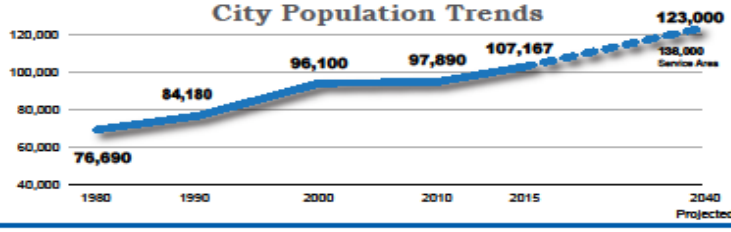


25.8
City Square Miles

71
City Open Space Square Miles[1]

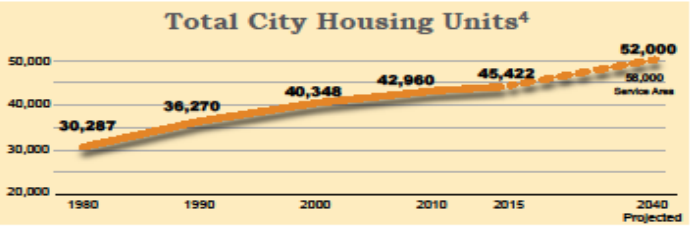
107,167
City Population[2]
119,199 Service Area Population

City Population Trends

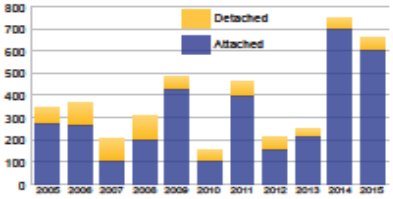


45,422
Housing Units[2]
51,132 Service Area Housing Units

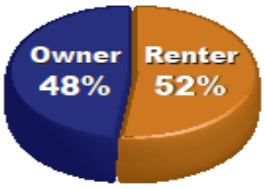
Total City Housing Units[4]



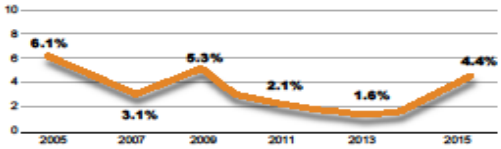
New Housing Units Completed[4]



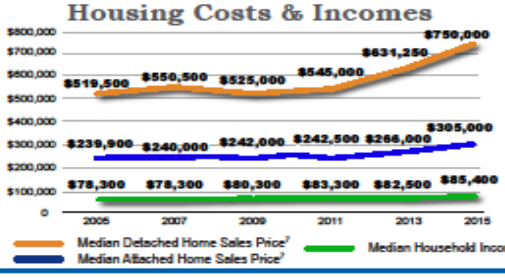
Rental vs Owner Occupied Housing Units[5]



Residential Rental Vacancy Rates[6]

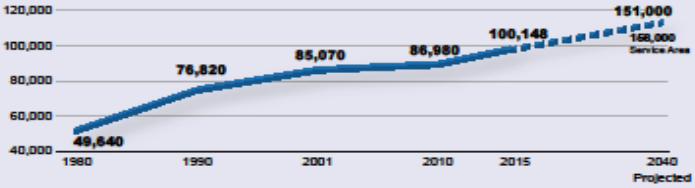


Housing Costs & Incomes

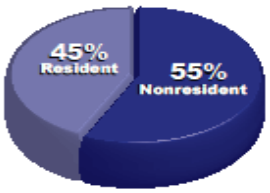


100,148
Jobs[2]
104,263 Service Area Jobs

City Job Trends

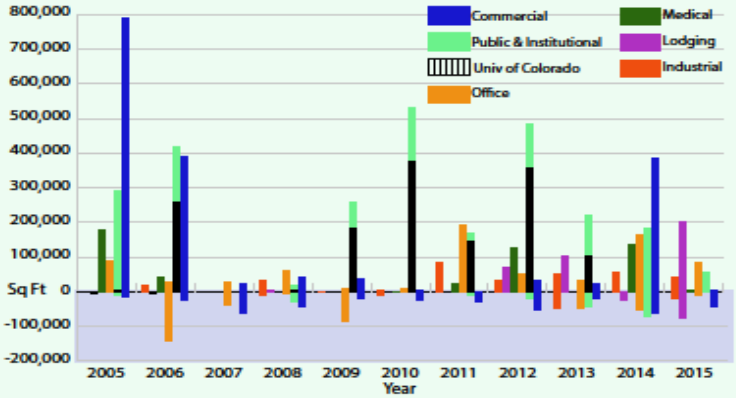


Boulder Employee Commuting Pattern Estimates[2]
(of the 100,148 jobs in Boulder)

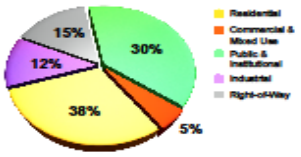


2005-2015 Non-Residential Square Footage Trends

Gross New and Demolished Non-Residential Square Footage 2005 - 2015[2]



Land Area by Zoning[2]



Vacancy Rate[9]

Retail	1.9%
Office	4.4%
Warehouse	2.5%
R&D/Flex	4.6%

Top 10 Employers (2015)
(listed in alphabetical order)

- Ball Aerospace
- Boulder Community Hospital
- Boulder County
- Boulder Valley School District
- City of Boulder
- Covidien
- IBM
- Micro-Motion
- UCAR/NCAR
- University of Colorado Boulder

Footnotes:

All numbers are through 12/31/15 unless otherwise noted. The reverse page of this document provides more background & sources.

1. City of Boulder Open Space and Mountain Parks
2. 2015 Estimate, City of Boulder Dept of Planning, Housing and Sustainability. See reverse page for more details. Job estimates for City includes Area I & Area II Annexations. Population and job estimates are rounded numbers.
3. Area I & II = Service Area
4. Based on number of Certificates of Occupancy issued for new housing units in the City of Boulder as of 12/31/15.
5. 2014 American Community Survey (ACS)
6. Apartment Association of Metro Denver Vacancy and Rent Report. Reflects average of city and university submarkets.
7. Information Real Estate Services, Boulder Area Realtors Association. Sale prices are for the city of Boulder.
8. Housing Division, Area Median Income (AMI) data (3-person household). AMI data is for the Boulder County MSA.
9. Source Boulder Economic Council - Market Profile 2016.

BVCP Planning Areas

To manage growth and provide urban services efficiently, the Boulder Valley Comprehensive Plan designates these areas for long term planning:

1. Area I: Land within city limits, provided with urban services.
2. Area II: Unincorporated land in Boulder County, eligible for annexation and provision of urban services within the 15 year planning period of the BVCP.
3. Area III: Unincorporated land in Boulder County outside the Service Area, intended to remain rural in character.

CONTACTS

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- Protect core provisions of the Colorado Urban Renewal law, which provide effective redevelopment tools for municipalities such as tax increment financing and eminent domain 18
- Support continued funding and support for the federally funded labs located in Boulder 19
- Support facilitating the ability of municipalities to enter into revenue sharing agreements 20

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- Oppose federal efforts to reduce appropriations for HUD Public Housing and Section 8 programs which provide rental assistance to low-income households 21
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- Oppose transfering the maintenance responsibilities for regional highways from the Colorado Department of Transportation to local governments 40
- Support flexible solutions and new funding opportunities to address impacts of train horn noise and support creation of quiet zones 41
- Support extenstion of existing state enabling legislation that provides authority for Regional Transportation Authorities to collect property taxes for transit programs 41

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- Oppose significant threats to the city's water rights 43

PURPOSE OF THE LEGISLATIVE AGENDA

The purpose of the City of Boulder's 2017 State and Federal Legislative Agenda (the "Legislative Agenda") is to formalize city positions on legislation expected to be considered by the Colorado General Assembly and the U.S. Congress. The city offers the Legislative Agenda as a guideline to legislators for reference when considering legislation impacting the City of Boulder. Strategic, targeted, and/or abbreviated versions of the information contained in this agenda will also be created throughout the year for use in further legislative communications.

The Legislative Agenda was developed in advance of the convening of the 2017 Colorado General Assembly and the First Session of the 115th U.S. Congress. Consequently, it does not address legislation by bill number. Instead, it describes the underlying interest the city has on specific issues. With the coordination of the city's Policy Advisor, it will be used by individual council members and city staff to inform city positions taken on specific bills once these legislative sessions begin. At that point, council may also consider amendments to the Legislative Agenda and address specific bills that have been proposed.

The city often attempts to influence state and federal policies through other avenues, beyond the Legislative Agenda, such as by submitting comments on administrative rulemakings or "sunset" reviews of expiring legislation, or by making direct appeals to federal and state administrative officials. While the Legislative Agenda is not designed to direct such action, it can be looked toward as a resource to inform such city efforts.

Council may revisit the Legislative Agenda at any point. It may do so as a body, or through its Legislative Committee. Council created this committee for the purpose of convening on an ad hoc basis with the Policy Advisor and other city staff as necessary when one or more of the following circumstances exist:

1. There is an immediate need for council members to participate with staff in developing a legislative strategy to advance or defeat a bill which is clearly addressed by the city's legislative agenda or other council-approved policy documents, or;

2. There is action expected on pending legislation that affects a matter which council has previously provided general direction on and that could significantly impact the city, but which council did not provide sufficient specific direction on (either through its legislative agenda or other approved policy documents) and with timing that will not allow for council direction to be obtained. In these limited situations, the Policy Advisor may turn to the committee for direction on such legislation so that the city can advocate accordingly. Council is to be informed whenever such committee direction has been provided, and may choose to subsequently revisit such direction.

Council's Legislative Committee is also turned to during non-legislative periods to provide suggestions on revisions to the legislative agenda and to plan agendas for meetings with legislators.

As has been done in years past, council is again adopting a goal that modifications to this legislative agenda require consistency, when applicable, with the six criteria described below:

1. Uniformity with current city council goals;
2. Expected relevance in the upcoming or present state and federal legislative sessions;
3. Uniqueness of issue or impact to the City of Boulder;
4. Viability or likelihood of achieving goal;
5. Opportunity for providing funding for City of Boulder; and,
6. High probability of metrics of success in order to allow the position to be deleted from future agendas if achieved.

Departures from these criteria are made in unique circumstances as determined by council, such as when adoption of a city position is important to support its regional partners, even while the legislation is otherwise of limited consequence to the city.

The city welcomes the opportunity to discuss the city's Legislative Agenda. Please direct any questions to City Council members or to the city's Policy Advisor at 303-441-3009.

2017 STATE LEGISLATIVE PRIORITIES AT A GLANCE

The city expects to adopt and communicate positions on dozens of state bills during the 2017 state legislative session. The positions listed below, however, address the bills that the city expects to focus the bulk of its limited resources and political capital on. These priorities are selected not only due to their importance to the city but because related legislation is expected to be introduced in 2017 and involvement of the city and its legislative delegation could be determinative to their outcome. The priorities take into account the expected political realities of the upcoming session and accordingly are first and foremost pragmatic. Nevertheless, they are considered important in their own right and are also considered incremental steps that will create support in future years for some of the city's more ambitious legislative goals.

1. Support legislation that would assist and expedite Colorado's implementation of the federal **Clean Power Plan**, rules designed to reduce carbon emissions from coal-fired power plants across the country, or of Governor Hickenlooper's draft Executive Order requiring a 35 percent reduction in carbon dioxide emissions from the power sector by 2020, as compared to 2012 levels. Conversely, oppose any legislation that would delay or prevent the implementation of either the federal rule or the Governor's order.~~Oppose state legislation aimed at undermining the implementation of **EPA's Clean Power Plan Rule** including those that would create a requirement for General Assembly approval of plans.~~

2. Support legislation that enables and encourages electric utilities to support greater adoption of **electric vehicles** by investing in electric vehicle charging, educating customers about EVs, and providing customer incentives. ~~Modify the existing state tax credit for electric vehicles by allowing them to be transferable, thereby creating new financing opportunities (e.g., leases, performance contracting, etc) and/or allowing public sector agencies to take advantage of the credits (i.e., 100% refundable in the absence of tax liability). More on this position can be found at page 12.~~

3. ~~Support legislation allowing US 36 BRT vehicles to use **"Bus on Shoulder"** for local service. Support legislation allowing US 36 BRT vehicles to use **"Bus on Shoulder"** for local service.~~

4. ~~Support state legislation that results in increasing the **minimum wage** to $10.10 an hour and/or allows municipalities the authority to adopt minimum wage requirements higher than the federal and state standards. The city's reasoning for this position is described on page 23.~~

5. Preserve the authority of local governments to use **red light cameras or photo radar enforcement**. Page 36 describes how these tools are used by the city and their importance to the public's safety.

6. Protect against significant **threats to the city's water rights**, especially those allowing for out-of-priority, un-augmented well use in the South Platte basin. Page 43 describes the negative impact to the city of permitting such use.

7. Support efforts to provide **budget flexibility under the TABOR revenue cap** by changing the hospital provider fee from a cash fund to an enterprise, thereby minimizing proposed funding cuts to K-12 and higher education. The city considers this an important first step in an effort that should eventually result in the referral of a measure to the voters permitting the state to spend all revenue collected over its TABOR limit.

2017 FEDERAL LEGISLATIVE PRIORITIES AT A GLANCE

1. Seek federal support for Boulder's federally funded labs and the University of Colorado Boulder. As described further on pages 19 and 41, these institutions are foundational to the economic and cultural well-being of the city.

2. Support legislation necessary to seek federal assistance for flood disaster recovery needs and expenses described further on page 32.

3. Continue to brief federal officials on the city's municipalization efforts and seek support as necessary, while positioning Boulder as a national pilot for building a resilient electricity system, adopting distributed generation and implementing aggressive demand-side initiatives, as explained further on page 9 of the agenda.

CLIMATE CHANGE AND COMMUNITY RESILIENCE

The burning of coal, oil and gas for energy is warming Earth's atmosphere and changing our climate. As a result, we have experienced more frequent and intense temperature extremes and destructive weather events. For Boulder, climate action is about resilience and transformation: we need to adapt to the climate changes that are already in motion, as well as reduce the emissions-heavy activities that drive future climate change. We face a great challenge but also a great opportunity to make Boulder better-- to create a healthier, safer and more prosperous community. In order to realize this opportunity, we need unprecedented levels of federal and state cooperation and legislative action.

- **ADOPT COMPREHENSIVE STATE CLIMATE MITIGATION GOALS AND IMPLEMENTING STRATEGIES**

In 2007, Governor Bill Ritter, Jr., included in his Colorado Climate Action Plan goals for reductions in statewide heat-trapping emissions of 20 percent by 2020 and 80 percent by 2050, compared to 2005 levels. In 2008, Governor Ritter also included these goals in Executive Order D 004 08. While that executive order has not been amended or superseded, and so remains official state policy, the goals are not being given the attention necessary to drive action aimed at achieving them. The city supports state legislation establishing new goals and implementing strategies to reduce heat-trapping emissions to levels sufficiently aggressive as to support the city's interim goal of achieving 100 renewable electricity by 2030 and reducing citywide greenhouse gas emissions from all sectors by at least 80 percent below 2005 levels by 2050. These goals must be no less stringent than the goals established by Governor Ritter or than those set by the federal government as a national target in its official submission to the United Nations under the Paris Agreement, which are to reduce national net heat-trapping emissions by 26 percent to 28 percent below 2005 levels by 2025, and to make best efforts to reduce them by 28 percent.

- **PRESERVE AND SUPPORT THE ABILITY OF LOCAL GOVERNMENTS TO ENGAGE IN CLIMATE ACTION EFFORTS**

Preserve and support the ability of local governments to develop and implement effective energy strategies that reduce environmental impacts by:

  - Forming their own energy utilities;
  - Enhancing the right of local governments to condemn electric assets at fair market value, while opposing utility efforts to seek lost revenues;
  - Securing access to information from regulated utilities of designated undergrounding funds and communitywide energy information relevant to climate action programs;
  - Facilitating local government purchases of street lighting; and,
  - Funding local government energy efficiency and renewable energy programs.

- **FACILITATE ACCESS TO RENEWABLE ENERGY**

Facilitate access to renewable energy by:

- Allowing for aggregation of residential or commercial electric customers in municipal purchase of renewable energy on behalf of these groups of customers (a.k.a. community choice aggregation);
- Allowing mobile home owners to receive the same rebates and incentives for installation of solar panels as are available to other homeowners;
- Establishing a small state level carbon tax with proceeds used to fund renewable energy projects as well as transmission and distribution system improvements that enable additional deployment of renewables and energy efficiency measures;
- Supporting federal policies that establish a price on carbon emissions domestically as well as internationally;
- Increasing or r~~R~~emoving the 120 percent cap on net metered generation; and,
- Allowing customer access to diverse solar options through a variety of well-designed and equitable policies (including net metering, feed-in tariffs, "value of solar" tariffs, or minimum bills) that fully recognize the value of local solar.

- **EXPAND THE DEVELOPMENT OF CLIMATE CHANGE ADAPTATION STRATEGIES**

The city understands that the early impacts of climate change have already appeared and that scientists believe further impacts are inevitable, regardless of decreases to future global greenhouse gas emissions. In addition, the city recognizes that decisions we make today about land use, infrastructure, health, water management, agriculture, biodiversity and housing will have lasting consequences. It is therefore important to begin planning now for the impacts of climate change in the future. Consequently, the city supports legislation that expands the development of climate change adaptation strategies such as those that initiate, foster and enhance existing efforts to improve economic and social well-being, public safety and security, public health, environmental justice, species and habitat protection, and ecological function.

- **ENHANCE CUSTOMER ENERGY CHOICE**

Enhance the energy choices available to customers by:

- Making any necessary changes to the community solar gardens law (HB10-1342) to allow for its successful implementation, especially with regard to facilitating formation of smaller (500 kW and under) solar gardens, and enabling local ownership of wind and solar gardens above and beyond ERP requirements and without incentives, if a community chooses;

- Enacting time-of-day electricity price signals that would, among other things, promote charging of vehicles when renewable resources are abundant;
- Requiring statewide lighting, appliance and other equipment efficiency standards and/or incentives, as appropriate, for efficient technologies;
- Facilitating new and creative customer choice options such as peer-to-peer customer sharing of electricity generation, virtual net metering or microgrid development;
- Allowing local governments to develop regional energy networks that implement energy efficiency programs with direct funding from utilities; and,
- Precluding utilities from imposing excessive charges onto their customers for net metering of distributed renewable energy generation, customer-sited combined heat and power systems, or on-site energy recapture systems.

• INCREASE PUBLIC ACCESS TO ENERGY DATA

Increase the public's access to energy data by:

- Standardizing regulated utility filings to increase transparency at the PUC and requiring all PUC discovery to be publicly available and filed in machine-readable formats;
- Promoting best practices related to energy data, such as adoption of the Green Button Program by regulated utilities;
- Facilitating the development of a third-party demand-side management program implementer, including energy efficiency and distributed generation programs;
- Facilitating the development of an energy data center or energy statistics branch within a state energy agency to produce data sets related to research and policymaking;
- Enabling regulated utilities to provide aggregated whole-building data to building owners and property managers for use in building benchmarking and energy efficiency improvements; and,
- Creating an exception to the Colorado Open Records Act that confirms the ability of local governments to protect customers' energy data when they participate in local energy efficiency programs and greenhouse gas emissions reporting initiatives.

• SUPPORT ENERGY UTILITY AND REGULATORY ENHANCEMENTS

Support energy utility and regulatory enhancements by:

- Requiring utilities to file grid modernization plans with commitments to distribution grid upgrades and targets that facilitate energy efficiency, renewable energy and grid-connected energy storage;
- Encouraging investments in conservation by replacing the current focus solely on energy rates to one focusing on minimization of the consumer's total energy bill;

- Including all environmental and health costs and risks, sometimes referred as the social cost of carbon, when evaluating integrated resources plans of the investor-owned utilities;
- Unbundling rates to clearly differentiate fixed and variable energy costs;
- Facilitating the use of investor–owned transmission lines at fair and reasonable prices to convey renewable energy from multiple sources (a.k.a. retail wheeling);
- Encouraging the Public Utilities Commission to consider comprehensive performance-based regulation for utilities, which would compensate them based on providing customer choice and satisfaction, reliability and resilience, and reduced carbon emissions, as opposed to applying traditional cost of service concepts;
- Clarifying that, for purposes of the rules governing intervention in administrative hearings before the Colorado Public Utilities Commission (PUC), customers of a business regulated by the PUC qualify as persons who "will be interested in or affected by" the PUC's order;
- Supporting ~~Opposing~~ legislation that would assist and expedite ~~delaying or preventing~~ Colorado's implementation of the federal Clean Power Plan, rules designed to reduce carbon emissions from coal-fired power plants across the country, or of Governor Hickenlooper's draft Executive Order requiring a 35 percent reduction in carbon dioxide emissions from the power sector by 2020, as compared to 2012 levels. Conversely, opposing any legislation that would delay or prevent the implementation of either the federal rule or the Governor's order;
- Increasing the state's current Renewable Energy Standard to 50 percent by 2025 and applying that standard to all qualifying retail utilities in Colorado; and,
- Requiring legislative approval and oversight of the creation of, or proposed membership in, any future regional transmission organization or regional wholesale market by Colorado electric utilities and including an evaluation of related greenhouse gas impacts on Colorado electricity supply.

- **INCREASE ENERGY EFFICIENCY**

  - Increase energy efficiency by establishing high performance residential and commercial building codes. At the state level, encourage the adoption of at least the 2012 version of the International Energy Conservation Code (IECC).
  - Allow local governments to develop regional energy networks that implement energy efficiency programs.
  - Facilitate development of a third-party demand-side management program implementer.
  - Facilitate the development of outcome-based and beyond net zero energy codes.
  - Reinstate the energy-efficient commercial and residential buildings federal tax deductions that expired at the end of 2013.
  - Expand and extend the Colorado Energy Efficiency Resource Standard which requires electricity savings goals of 5 percent of the utility's 2006 peak demand and electricity sales by 2018 for Colorado's investor-owned electric utilities.

- Support continued and expanded funding for programs that help low-income Coloradoans meet their energy needs such as the Low-Income Home Energy Assistance Program and the Weatherization Assistance Program.

- **ENCOURAGE MORE WIDESPREAD ADOPTION OF ELECTRIC AND EFFICIENT MOTORIZED VEHICLES**

Ground transportation in the City of Boulder accounts for 21% of greenhouse gas emissions. Increasing marketplace uptake of electric vehicles (EVs) can provide reductions in both GHG emissions and other pollutants. While the primary approach will always be to encourage alternative modes of transportation that reduce vehicle miles travelled, the city will also support legislative change that reduces energy use and emissions of air pollutants from vehicles, specifically legislation that:

- Enables and encourages electric utilities to support greater adoption of electric vehicles by investing in electric vehicle charging, educating customers about EVs and providing customer incentives;
- ~~Modifies existing state tax credit for electric vehicles making them transferable in order to create new financing opportunities (e.g., leases, performance contracting, etc) and/or to allow public sector agencies to take advantage of those credits (i.e., 100% refundable in the absence of tax liability);~~
- Uses existing "Alternative Fuels Colorado Program" state funding to ensure the development of a network of strategically located public DC fast-charging stations along the state's major corridors, irrespective of whether they are co-located with compressed natural gas stations;
- Modifies current "HOV Exemption Program," which provides owners of 2,000 low-emission and energy efficient vehicles free access to high-occupancy-toll lanes, to limit the exemption to three years per vehicles and to allocate the new permits to only the owners of the most energy efficient vehicles, which should be updated periodically.
- Requires the state's vehicle registration database to be structured to allow local governments to have access to fuel efficiency information of the vehicles registered in their jurisdiction;
- Provides Colorado counties the option to implement a revenue-neutral system that imposes higher vehicle registration fees on the purchase of less efficient vehicles and rebates on the purchase of more efficient vehicles (assuming social equity concerns can be addressed);
- Supports the adoption of the next phase (post-2025) of federal vehicle efficiency standards for light duty vehicles and of the next phase (post 2016) of federal efficiency standards for medium and heavy duty vehicles;
- Requires a percentage of vehicles sold in Colorado to meet "zero emission vehicle standards," as enacted in California (requires 15% of vehicles sales to be ZEV by 2025) and subsequently adopted by nine other states;
- Increases state biofuel infrastructure and develop a statewide biofuels strategy (including renewable diesel), and;

- Encourages the proliferation of public charging stations for electric vehicles by requiring new parking lots and parking structures to provide a minimum number of public charging stations.

- **SUPPORT REFORM OF RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY (PACE) FINANCE STATUTES TO ALLOW FOR RESUMPTION OF BOULDER COUNTY'S RESIDENTIAL PACE PROGRAM**

The city has been an active supporter of Boulder County's PACE finance program, formerly known as the Climate Smart Loan Program. Many city residents have taken advantage of residential PACE to secure low-interest loans to make energy efficiency and renewable energy upgrades to their homes. However, actions taken in 2010 by Fannie Mae, Freddie Mac, and the Federal Housing Finance Agency have forced local governments across the country, including Boulder County, to suspend their residential PACE financing programs. The city supports reversal or resolution of these federal actions, either through legislation or regulation, to allow residential PACE programs to again move forward. If such federal action is taken, the city would also urge the Colorado General Assembly to quickly take any action necessary to conform Colorado's PACE enabling statutes to the new federal requirements.

- **PROMOTE WASTE REDUCTION AND DIVERSION EFFORTS**

In Colorado, there are currently no statewide minimum waste diversion goals. In addition, there exist artificially inexpensive landfill tip fees and no minimum recycled content standards. This often makes the most environmentally responsible management practices like source reduction and recycling and composting cost prohibitive. The city supports statewide legislation that would:

- Encourage product stewardship and take-back programs (a.k.a. "extended producer responsibility");
- Ban specific materials;
- Require post-consumer minimum content standards for product manufacture;
- Implement statewide or regional landfill tip fee surcharges to be used for waste reduction;
- Create tax credits to encourage source reduction, recycling and composting and markets for recycled materials, and;
- Establish a statewide waste diversion goal structured to include incentives and assistance programs to spur waste diversion state-wide, and encourage additional resource recovery.

While the city opposes "waste to energy" technologies involving trash incineration or incentivizing landfilling for the sake of energy creation, the city supports energy capture from anaerobic digestive technologies at composting and wastewater treatment plants. The

city also supports energy production from the organic matter portions of the waste stream that would otherwise end up in a landfill if not used to make energy or energy products. Examples of this type of beneficial use include woody construction and demolition waste and yard or food waste that is not able to be otherwise diverted from landfilling and can be used to produce electricity or liquid fuel components. The city, however, views all energy production uses as last in priority to other beneficial uses such as composting, recycling and re-purposing.

The city also has specific concerns about the environmental hazards posed by electronic waste in landfills. Therefore, the city supports legislation that requires extended producer responsibility that is regulated to be environmentally and socially acceptable. Finally, the city would support repeal of the prohibition contained in state law (C.R.S. Section 25-17-104) on local government bans on "use or sale of specific types of plastic materials or products" or restrictions on "containers . . . for any consumer products."

- **SUPPORT IMPROVEMENTS TO THE COLORADO OIL AND GAS CONSERVATION COMMISSION'S OVERSIGHT OF OIL AND GAS DRILLING AND PRESERVATION OF LOCAL CONTROL TO ADOPT REGULATIONS, MORATORIUMS OR OTHER LIMITS AS NECESSARY**

Oil and gas drilling is an industrial activity that is increasing in Colorado and within the northern Front Range, and which poses significant risks and potential adverse impacts. These include damage to air and water quality, scenic values, property values, public infrastructure and public health and that can significantly affect both local quality of life and economic prosperity.

There is growing public concern about the proximity of oil and gas development to communities and other sensitive resources and about industry techniques, such as hydraulic fracturing (or "fracking"), used to access oil and gas resources. Fracking is a process whereby fluids are injected at high pressure into underground rock formations to blast them open and enable new or increased exploitation of fossil fuel resources. Chemicals typically used in the fracking process include diesel fuel, benzene, industrial solvents and other carcinogens and endocrine disrupters. According to the Colorado Oil and Gas Conservation Commission (COGCC), nearly all of the more than 51,000 oil and gas wells operating in Colorado are fracked.

There is increasing evidence and growing concern that oil and gas operations emit toxic air pollutants, volatile organic compounds that cause ground-level ozone, and potentially large amounts of methane, one of the most potent greenhouse gasses. Further, according to the COGCC, since 2010, there have been more than 3,400 spills in Colorado – an average of 550 each year – and more than 15% of these spills have contaminated water supplies. Accordingly, the city believes that fracking should not be an exempted activity under the Clean Water Act or Safe Drinking Water Act or other federal environmental laws.

In July of 1993 the City of Boulder adopted its own regulations to govern oil and gas operations and production on city open space lands. These regulations require an application to the city manager, and hearings conducted by the Open Space Board of Trustees and City Council. Since the adoption of these regulations in 1993, no one has applied to conduct new drilling operations on Open Space lands. These regulations, however, do not address the issue of fracking or other emerging concerns about oil and gas impacts, nor do they address any potential drilling that might be proposed within city limits on non-open space lands.

The City of Boulder believes that local governments have both the right and responsibility to take action to protect the public health and well-being of its residents as well as the environment. The city supports the state setting minimum standards and best management practices for the oil and gas industry (such as those suggested by the International Energy Agency on this subject, entitled "Golden Rules for a Golden Age of Gas"), but also believes that local jurisdictions must be allowed to adopt strong rules as needed to address local concerns and conditions. To that end, the city supports legislation that clarifies and strengthens the authority of local governments to use their existing land use authorities to manage and tailor oil and gas activities within their borders to ensure public health, safety and welfare, and to protect the environment. The city also opposes legislation that would preempt local authority ~~to establish bans, temporary moratoriums, or~~ to establish and enforce regulations over such fracking operations.

In addition, the city supports legislation that would address specific oil and gas drilling impacts, including legislation to:

- Better protect homes and communities by increasing the minimum distance between wells and occupied buildings from the current 500' setback to 1000', 1,500' for schools, giving local governments an effective role in controlling the pace and footprint of development in their jurisdictions.
- Lift the current prohibition on local governments passing along the cost of inspections to industry.
- Adopt statewide protections for water including: requiring setbacks from all streams and lakes; requiring baseline and periodic water monitoring at all drilling sites; raising casing and cementing standards to ensure wellbore integrity; and requiring operators to formulate a water management plan and recycle wastewater before acquiring new supplies.
- Better protect air quality at and near oil and gas operations and decrease greenhouse gas emissions by requiring strict controls on fugitive emissions from oil and gas facilities, including adopting the latest technology in leak detection and repair.
- Address the dual mandate and composition of the COGCC to make its primary role the regulation of the oil and gas industry to protect the public health, safety and the environment.
- Support further study of air, water and public health impacts oil and gas operations and ways to mitigate or avoid impacts.

- **FEDERAL AND STATE SUPPORT FOR BUILDING COMMUNITY RESILIENCE**

In December 2013, Boulder was selected as one of 32 inaugural cities to participate in 100 Resilient Cities (100RC), a global network pioneered by the Rockefeller Foundation to help cities around the world become more resilient to the physical, social and economic challenges of the 21st century. Boulder joined the network as part of the initiative's first wave and through its participation is committed to demonstrating leadership in resilience as well as leveraging the resources and opportunities it presents.

Boulder supports a view of resilience that includes not just the shocks – floods, wildfires, violence, and other acute events but also the stresses that weaken the fabric of a city on a day to day or cyclical basis, such as economic hardship or social inequality. By addressing both the shocks and the stresses in a holistic manner, a city increases its ability to respond to adverse events, and is better able to deliver basic functions in both good times and bad, to all populations.

With Rockefeller Foundation support, the city hired its first Chief Resilience Officer in 2014 to lead the coordination and development of a broad reaching Resilience Strategy. The city recently released its draft Resilience Strategy, a plan that builds on past successes and looks to new integrated systems and solutions to ensure a thriving future for our community. The strategy identifies core areas where the city's work has helped advance resilience principles already and established a strong foundation for future action; details specific actions for further embedding resilience principles and concepts into city operations; and define an approach for developing an ethos of preparedness and vigilance in the community. In order for Boulder and other communities around the nation to implement resilience-building strategies, coordination and financial and technical support from the state and federal governments will be necessary. The city will support legislation that furthers addresses such needs.

DEMOCRACY AND GOVERNANCE

- **SUPPORT FOR AN AMENDMENT TO THE U.S. CONSTITUTION ABOLISHING CORPORATE PERSONHOOD**

On November 1, 2011, the residents of Boulder voted, by a 73 percent majority, to approve Ballot Question No. 2H which called for "reclaiming democracy from the corrupting effects of corporate influence by amending the United States Constitution to establish that: 1) Only human beings, not corporations, are entitled to constitutional rights; and 2) Money is not speech, and therefore regulating political contributions and spending is not equivalent to limiting political speech."

The City of Boulder will support state and federal legislation similar to SJR12-1034, or action by other intergovernmental partners, that furthers efforts to amend the U.S. Constitution with language that captures the sentiment, if not the exact language, expressed

by Ballot Question No. 2H. This includes support for the joint resolution that was introduced in the U.S. Senate on December 8, 2011 by Senator Bernie Sanders to amend the Constitution to exclude corporations from First Amendment rights to spend money on Political Campaigns (a.k.a. the Saving American Democracy Amendment).

- **SUPPORT GENERAL ASSEMBLY ACTION TO SUBMIT TO THE COLORADO ELECTORATE A REFERRED MEASURE TO REFORM THE CURRENT PROCESS FOR CITIZEN-INITIATED CONSTITUTIONAL AND STATUTORY AMENDMENTS BY ALTERING THE SIGNATURE COLLECTION REQUIREMENTS AND REQUIRING A SUPERMAJORITY VOTER APPROVAL FOR CONSTITUTIONAL AMENDMENTS, EXCEPT FOR THOSE MEASURES THAT LOOK TO AMEND PREVIOUS VOTER-APPROVED CONSTITUTIONAL AMENDMENTS; AND REQUIRING FOR A TIME A SUPERMAJORITY APPROVAL BY THE GENERAL ASSEMBLY TO CHANGE CITIZEN-INITIATED STATUTORY AMENDMENTS**

Over the past 25 years, as a result of its low threshold requirements, Colorado has experienced a surge in citizen-initiated ballot measures. In the last 18 years alone, the constitution has been amended 35 times, adding detailed and sometimes conflicting provisions with far-reaching consequences. The city supports state legislation similar to HCR12-1003 that would reform the citizen initiative process to make it more difficult to amend the state constitution while providing assurance to Colorado citizens that statutory amendments will be respected by state elected officials. The city, however, opposes initiatives like the proposed Amendment 71 which would create oppressive signature collection requirements by state senate district and provide no safeguards for citizen-initiated changes to state statute.

ECONOMIC VITALITY

- **PROTECT CORE PROVISIONS OF THE COLORADO URBAN RENEWAL LAW, WHICH PROVIDE EFFECTIVE REDEVELOPMENT TOOLS FOR MUNICIPALITIES SUCH AS TAX INCREMENT FINANCING AND EMINENT DOMAIN**

Unlike many communities that contain vast areas of undeveloped land planned for future commercial and residential use, Boulder's future economic sustainability will depend on effective and ongoing re-use of existing developed property. The majority of future redevelopment in Boulder will be completed by private entities and through private investment. However, in rare circumstances, and based on the requirements of the urban renewal law, projects that demonstrate a compelling community need may only be achievable through a public/private urban renewal partnership. Municipalities should retain the capacity to facilitate revitalization of their urbanized areas.

- **SUPPORT CONTINUED FUNDING AND SUPPORT FOR THE FEDERALLY FUNDED LABS LOCATED IN BOULDER**

The city's economic vitality policy strongly supports the federally funded laboratories that are located in the city, specifically:

- Cooperative Institute for Research in Environmental Sciences (CIRES)
- Joint Institute for Laboratory Astrophysics (JILA)
- Laboratory for Atmospheric and Space Physics (LASP)
- National Center for Atmospheric Research (NCAR)
- National Ecological Observatory Network (NEON)
- National Institute of Standards and Technology (NIST)
- National Oceanic and Atmospheric Administration (NOAA)
    - Office of Oceanic and Atmospheric Research (OAR)
    - National Weather Service (NWS)
    - National Environmental Satellite, Data and Information Service (NESDIS)
- National Telecommunications and Information Administration (NTIA)
- University Corporation for Atmospheric Research (UCAR)
- UNAVCO
- United States Geological Survey (USGS)

The labs, the research they conduct, and the researchers and staff they employ are vitally important to the City of Boulder, Boulder County, the Denver metropolitan region, the state and the nation as a whole. The research funding they receive is redistributed throughout Colorado and beyond in the form of discretionary employee income, purchases of goods and services from suppliers, and contractual agreements with universities and private industry. Technologies they've created have led to technology transfer and spin-off companies.

In the Boulder metro area alone, federal research labs employed over 3,539 people in 2012. The NOAA, NIST and NTIA labs accounted for over one-third of this employment. These are high-skilled, highly educated employees whose average annual compensation in 2012 was $107,900. In August 2013, CU's Leeds School of Business released a study entitled, "CO-LABS Economic Impact Study: Economic and Fiscal Impacts of Federally Funded Research Facilities". According to the report, the net economic benefit to Boulder County of the federal labs, combined with other federally funded research laboratories in Colorado, totaled $743.2 million in FY 2012.

Boulder highly values the scientific contributions the labs and their employees have made to the entire nation, as well as the economic impact they have on our community. These institutions work closely with scientific researchers from the University of Colorado in Boulder and Colorado State University in nearby Ft. Collins. This synergy of scientific knowledge is found nowhere else in the United States.

Just as the labs generate direct benefits (employment, local spending) and associated indirect activity through an economic multiplier effect, the opposite holds true for funding reductions. According to CU's Leeds School of Business, for every job lost at these federal laboratories, an additional 1.17 jobs will be lost in Colorado. For every $1 million in funding cuts to the labs, an additional $1.13 million in economic impact will be lost. Perhaps even more troubling, our national capacity for research and innovation will be damaged by lay-offs of scientists and researchers, jeopardizing new advanced technologies, future businesses formed to commercialize developing technologies, and our global competitiveness.

- **SUPPORT FACILITATING THE ABILITY OF MUNICIPALITIES TO ENTER INTO REVENUE SHARING AGREEMENTS**

The city believes that there are a number of shortcomings associated with the current reliance municipalities have on sales tax generation. These include revenue-driven development detached from community land use goals, the use of incentives to capture development at the expense of municipal budgets, and sales tax revenue volatility resulting from counterproductive competition of regional retail outlets. In order to address these and other limitations, the City of Boulder, in conjunction with the Boulder County Consortium of Cities, is exploring the possibility of a revenue sharing agreement with one or more of its municipal neighbors. The significant challenge of such an undertaking would be diminished if the state were to provide mechanisms to encourage such agreements. One possibility would be for the state to establish a task force to evaluate the possibility of exploring revenue sharing as it may relate to the creation of a service tax or the removal of barriers to collecting Internet sales tax.

- ~~**SUPPORT LEGISLATION TO PLACE THE SCIENCE AND CULTURAL FACILITIES DISTRICT PROPOSAL AS ADOPTED BY THE SCFD BOARD OF DIRECTORS BEFORE THE DISTRICT VOTERS IN 2016**~~

~~The Scientific and Cultural Facilities District ("SCFD") is a nationally acclaimed, regional model for funding cultural organizations. Colorado Chautauqua, eTown, and the Colorado Music Festival and Center for Musical Arts are respected and thriving SCFD-funded Tier II organizations in Boulder County, each of which contribute to the unique cultural richness and quality of life for the people of this community and throughout our region. Our city is also home to 44 outstanding Tier III organizations, each of which works diligently to engage, inspire, and enrich the lives of local talent and local audiences alike. $1.86 million flowed to Boulder County in SCFD funding in 2015.~~

~~The SCFD has been approved by the Colorado Legislature and endorsed by voters in three region-wide elections in 1988, 1994 and 2004, and will be up for renewal in 2016. The source of SCFD's funding is a one-tenth of one penny sales tax, which equates to one penny on a $10 purchase. Voters in our seven-county metropolitan region would be asked in 2016 to extend, not increase, this tax for an additional 12 years.~~

~~The SCFD Board conducted a public process during 2013 to 2015, during which it adopted significant funding and programming enhancements to improve SCFD effectiveness. The SCFD Board's reauthorization recommendations shift substantial funding away from Tier I to Tiers II and III. Throughout the 12-year SCFD term that would span 2018 through 2030, the comparative distribution of funding between the three tiers would be made more equitable: when compared to the existing funding formula, Tier II groups would receive $22 million more and Tier III groups would receive $15.3 million more, while Tier I would receive $37.3 million less. In consideration of inflation and the structure of the distribution, this reallocation represents a leveling off of Tier I, and a modest increase to Tiers II and III. Boulder strongly supports this proposal and urges the Colorado General Assembly to place it before metro region voters in 2016.~~

HOUSING

- **OPPOSE FEDERAL EFFORTS TO REDUCE APPROPRIATIONS FOR HUD PUBLIC HOUSING AND SECTION 8 PROGRAMS WHICH PROVIDE RENTAL ASSISTANCE TO LOW-INCOME HOUSEHOLDS**

In the continuum of housing options for Boulder citizens, public housing and Section 8 vouchers provide a unique source of safe and affordable homes for approximately 1,000 families. Public housing and voucher assistance serve the lowest income families in Boulder, 95 percent of whom have incomes below $14,000 annually and pay an average of less than $300 per month in rent. There are very few, if any, market options for these families who depend entirely on the availability of federal assistance in order to live with dignity and assurance of shelter.

- **OPPOSE FEDERAL REDUCTIONS TO COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AND HOME INVESTMENT PARTNERSHIPS**

Boulder has participated in the CDBG program since 1975, and funds have been used in the past for a variety of projects ranging from assistance to nonprofit agencies that provide services to the city's low and moderate income residents, to construction of the Pearl Street Mall, and renovation of the Chautauqua Auditorium. Boulder has also participated in the HOME program since 1992 and program funds have supported the production and preservation of affordable housing. For the past nine years, Boulder has been the lead agency for a regional HOME Consortium including all of Boulder and Broomfield Counties. Half of the HOME funds received by Boulder are used in Boulder and half in the other Consortium communities. In 2016, the city received $722,528 in CDBG funding, a 29% reduction since 2010, and $916,882 in HOME funding, a 32% decrease in five years, from the U.S. Department of Housing and Urban Development. The CDBG and HOME programs allow the city to strengthen public infrastructure, increase supply of affordable housing, and improve the quality of life for the city's low and moderate income residents.

- **SUPPORT FOR STATE HOUSING TRUST FUND**

The city is supportive of legislative efforts that would lead to creation and financing of a state affordable housing trust fund. One example is the mechanism that was put in place through HB14-1017, which created a state low income housing tax credit operated through the Colorado Housing and Finance Authority (CHFA). In the last two years, nearly 2,000 affordable housing units were developed in various municipalities throughout the state using state tax credits. This program is another tool for the state to develop affordable housing in communities.

- **SUPPORT LEGISLATION THAT HELPS ADDRESS THE POWER IMBALANCE BETWEEN OWNERS OF MOBILE HOMES AND OWNERS OF MOBILE HOME PARKS**

It is the policy of the city to encourage affordable housing ownership, including manufactured housing. The following are examples of the changes that the city may support in this regard:

1. Create an enhanced enforcement mechanism for the provisions of the Colorado Mobile Park Act and associated funding source;
2. Require a minimum one-year lease;
3. Prohibit changes in park rules during term of lease;
4. Create an opportunity to purchase a mobile home park by residents or non-profit organizations;
5. Expanded (i.e., 6 month) notification requirement if mobile home park is to be closed; and,
6. Incentivize owners of mobile home parks to submit a dispute to mediation when attempting to evict a tenant for a violation of park rules or the rental agreement.

HUMAN SERVICES/HUMAN RIGHTS

- **SUPPORT COMPREHENSIVE FEDERAL IMMIGRATION REFORM**

The City of Boulder has been, and remains, committed to the protection of civil and human rights for all people. It believes in the dignity of all Boulder residents, regardless of immigration status, and recognizes the importance of their many contributions to the social, religious, cultural and economic life of the city.

The failures of the U.S. immigration system have had profound impacts within the Boulder community. These include very young students losing motivation to excel in their learning

because of knowledge that they lack affordable higher educational opportunities and the existence of an underclass, climate of fear, informal economy and work force inequities.

Accordingly, the city welcomes and encourages cooperation at all levels of government to work together to support swift and responsible legislative action to produce equitable, humane, effective and comprehensive federal immigration reform that provides for:

1. Enforceable immigration laws;
2. A rational and humane approach to the undocumented population;
3. A simplified visa system which allows for family unification of those who have been separated by the legal immigration backlog process and which provides for legal status for the existing immigrant workforce;
4. A rate and system of controlled immigration that matches the needs of our economy;
5. Social integration for our existing immigrant workforce and their families;
6. Recognizing employers as key allies in implementing immigration policy and enhancing enforcement of labor laws to remove the market advantage that leads to exploiting immigration status to pay lower wages, avoid taxes and violate labor laws;
7. A system which ultimately aids in border control; and,
8. Bilateral partnerships with other countries to promote economic development that will reduce the flow of immigrants.

The city also supports federal legislation, such as the often introduced Development, Relief, and Education for Alien Minors Act (The "DREAM Act"), that would qualify students for immigration relief if they have resided in the United States for several consecutive years, arrived in the U.S. as young children and demonstrated good moral character; put such students on a pathway to citizenship if they graduate from high school or obtain a GED and complete at least 2 years towards a 4-year degree or serve in the U.S. military for at least two years, and; eliminate a federal provision that discourages states from providing in-state tuition to their undocumented immigrant student residents, thus restoring full authority to the states to determine state college and university fees. Similarly, the city supports legislation, like HB14-1124, which would allow instate tuition for American Indian Tribe members with ties to Colorado.

Finally, the city supports legislation like the Uniting American Families Act, which would ensure that all Americans, regardless of sexual orientation, receive equal treatment under immigration laws. The bill specifically would have allowed partners and children of U.S. citizens and lawful permanent residents to obtain lawful permanent resident status the same way heterosexual spouses can. It would also allow for family-based immigration for gay and lesbian Americans and the reunification of families, which strengthens our communities.

- **PROTECT UNACCOMPANIED CHILDREN IMMIGRATING INTO THE UNITED STATES**

In 2014, an unprecedented number of unaccompanied minors fled their home countries in Central America to seek refuge in the United States, creating a humanitarian crisis and requiring immediate action by the Administration and Congress of the United States. Many of the U.S. laws and procedures regarding unaccompanied minors are focused on the welfare of the child, rather than detention, and the United States Department of Health and Human Services (HHS) must place the children in the "least restrictive setting" possible. Boulder City Council urges the President and Congress of the United States to adopt immigration policies that ensure that unaccompanied minors receive appropriate child welfare services, legal support and expeditious reunification with their families already in the United States.

- **SUPPORT THE NECESSARY FUNDING FOR STATE OFFICES TO PROVIDE DRIVERS LICENSES UNDER THE "COLORADO ROAD AND COMMUNITY SAFETY ACT"**

In 2013, Colorado enacted SB 13-251, the "Colorado Road and Community Safety Act," which allowed an estimated 150,000 undocumented Colorado residents, who cannot provide proof of legal presence in the United States, to apply for driver's licenses and ID cards. When the program went into effect the state became the 10th in the country to license undocumented immigrants. Demand has been strong, but has been met with long waits and limited D.M.V. appointments. The city believes that licensing immigrants makes the roads safer by educating drivers and making them likelier to carry insurance and supports efforts to provide the necessary funding to allow state offices to meet demand.

- **FURTHER THE RIGHTS OF ALL PEOPLE REGARDLESS OF THEIR ACTUAL OR PERCEIVED SEXUAL ORIENTATION OR GENDER VARIANCE STATUS**

On May 18, 2004, Boulder's City Council adopted Resolution No. 947. This resolution affirms the city's commitment to the protection of civil rights for all people as outlined in the city's human rights ordinance. Furthermore, the resolution recognized the many contributions that the city's gay, lesbian, bisexual and transgender residents have provided that have enhanced the lives of all in the community.

Consistent with the city's long history of support for the equal rights of all people regardless of their actual or perceived sexual orientation or gender variance status, the city supports the Equality Act, introduced in Congress last July in the Senate (S. 1858). This legislation would amend the Civil Rights Act of 1964 to include protections that ban discrimination on the basis of gender identity and sexual orientation in the areas of employment, housing, public accommodations, public education, federal funding, credit and the jury system. President Obama announced his support for this measure on Nov. 10, 2015.

- ~~**INCREASE THE MINIMUM WAGE**~~

~~In his 2014 State of the Union address, President Obama called on Congress to raise the federal minimum wage from $7.25 to $10.10 an hour. Colorado's minimum wage is currently $8 per hour. The Economic Policy Institute estimates that raising the federal minimum wage to $10.10 by 2016 would:~~

- ~~Increase wages for 269,000 working Coloradans who currently make the minimum wage;~~
- ~~Raise wages for another 141,000 Coloradans who would see their salaries adjusted upward to reflect a new pay scale;~~
- ~~Elevate all affected Coloradans' total earnings by $578.1 million each year, contributing to workers' spending power;~~
- ~~Support 217,000 children in Colorado; and,~~
- ~~Increase Colorado's GDP by $366 million and create 1,500 full-time jobs over three years.~~

~~Raising the minimum wage also would reduce Coloradans' reliance on safety nets like Medicaid, the Children's Health Insurance Program and the Supplemental Nutrition Assistance Program (SNAP). In Colorado, raising the minimum wage would decrease SNAP enrollment by more than 42,300 people and save Colorado $40.7 million. Two thirds of minimum wage workers are women. Women, minorities, and families with children would be among those to benefit most from a higher minimum wage. Nearly 17,000 Colorado veterans would also see higher wages.~~

~~For these reasons, the city supports change at either the state or federal level that would increase the state's minimum wage to $10.10.~~

~~The city would also support efforts to amend Colorado law as necessary so as to allow municipalities to establish their own minimum wage laws higher than the state or federal minimum wage.~~

- **OPPOSE FURTHER CUTS TO STATE FUNDED HEALTH AND HUMAN SERVICE PROGRAMS, ESPECIALLY THOSE THAT ARE PREVENTIVE IN NATURE**

In recent years, the state made drastic cuts to services that help provide a safety net to thousands of city residents. This includes services to very low income residents, children and families, mentally ill and disabled people without health insurance. The city urges the General Assembly to avoid making further cuts to those essential services that serve the city's most vulnerable, especially intervention and prevention services that keep people out of crisis.

INTERNAL ADMINISTRATIVE MATTERS

- **PROTECT WORKERS' COMPENSATION SYSTEM**

The city's self-insurance program is a cost efficient method to provide workers' compensation. The workers' compensation system serves a dual purpose, providing benefits promptly to injured employees in a cost-effective manner and minimizing costly litigation. Consequently, the city will support legislation that improves the administrative efficiency of the State of Colorado's Division of Workers' Compensation.

State intervention or taxation can negatively impact the city. Consequently, the city will oppose legislation that increases insurance premium costs to employers, adds administrative burdens or taxes to self-insurance programs, promotes litigation or removes existing off-sets to workers' compensation benefits.

The city also opposes efforts to expand "presumptive disease" claims associated with workers' compensation insurance. Presumptive disease claims are a change in the philosophy guiding workers' compensation insurance. They presume an existing or previous employee obtained the disease from work associated with that person's employer unless the employer can prove otherwise. The 2007 legislative session enacted legislation that requires that, under the Workers' Compensation Act of Colorado, if a firefighter contracts cancer of the brain, skin, digestive system, hematological system or genitourinary system, the condition be deemed to have occurred within the scope of employment unless the employer can prove that the covered cancer did not occur within the scope of employment. This is a particularly difficult proposition for employers as many diseases have a genetic component and cannot be definitively detected in baseline (time of hiring or imposition of new law) testing. The result of this legislation was a 15 percent increase in premiums associated with fire employees. The city opposes any effort to further shift the burden of proof for workers' compensation claims.

- **PROTECT GOVERNMENTAL IMMUNITY**

The complexity and diversity of city operations and services required to meet the needs of the residents of Boulder may expose the city and its officers and employees to liability for damage and injury. City officers and employees must be confident that they have the city's support in the lawful and proper performance of their assigned duties and responsibilities.

Consequently, the city will support legislation that provides immunity to municipalities and their officers and employees in the lawful and proper performance of their duties and responsibilities and that discourages baseless and frivolous claims against the same. Conversely, the city will oppose legislation that expands or increases municipal liability or further limits municipal immunity beyond current law.

- **OPPOSE CHANGES THAT COULD UNNECESSARILY RESULT IN INCREASED CONTRIBUTIONS OR FORCE A REDUCTION IN**

BENEFITS FOR MEMBERS OF THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

Two significant pieces of legislation were enacted in recent years aimed at putting PERA back on track to being fully funded. The first, SB06-235, passed in 2006, made several changes, including: (1) temporary increases in the amount that employers from each division must contribute to PERA, with increases staying in effect until accounts in those divisions are found to be 100% funded; (2) the addition of an eight percent cap per year on the Highest Average Salary (HAS) for new hires; (3) a change of the Rule of 80 to a Rule of 85 with a minimum retirement age of 55 for new hires; (4) a prescribed amortization period reduced from 40 years to 30 years; (5) a requirement for independent actuarial studies to be conducted before future benefit increases could occur; and, (6) a new requirement to purchase service at full actuarial cost.

Then in 2010, SB10-001 was enacted to require, among other things: (1) additional increases in the temporary employer contributions beyond previous requirements, with exemptions for the local government division where further increases were deemed unnecessary; (2) reductions in the cost of living adjustments (COLA); (3) application of the 3-year HAS with a base year and an eight percent spike cap applicable to current members not eligible to retire on January 1, 2011; (4) extension of the Rule of 85 to existing members with less than five years of service credit as of January 1, 2011, creation of a Rule of 88 for new hires and a Rule of 90 for hires after 2017, and; (5) a new requirement for contributions from retirees who return to work.

Despite this legislation, a result of comprehensive and collaborative efforts by PERA, legislators and representatives of employer groups, and despite a 2012 independent auditor finding that PERA's assumed 8 percent rate of return (since lowered to 7.5 percent) is "within a reasonable range of possible scenarios," a variety of legislation has since been and is expected to continue to be introduced in the Colorado General Assembly to further change the PERA system. The city recognizes that further reforms may indeed be required and consequently supports legislation deemed necessary to stabilize PERA's funds, but only when informed by a comprehensive evaluation of the impacts of those changes so as to protect against unnecessary increases to employer or employee contributions or reductions in employee benefits. One reform the city would support without further analysis is changes to the composition of the 16-member PERA Board of Trustees to provide more balanced representation from non-PERA covered members. However, as one of the largest of the 24 member governments in PERA's Local Government Division, Boulder will oppose piecemeal state legislation that has unknown financial impacts.

LOCAL CONTROL

- **OPPOSE THREATS TO LOCAL CONTROL AND HOME RULE AUTHORITY**

Several bills are introduced each session that threaten to erode local powers. As a general matter, the city believes that local problems need local solutions and that the current authority and powers of municipal governments to make decisions on matters related to land use, zoning, personnel, municipal courts, fees and sales tax, should not be further eroded. Legislation threatening local control, that does not further interests otherwise specified in this legislative agenda or recognized by City Council, will be opposed by the city.

- **FUND AND PROTECT THE MUNICIPAL JUSTICE SYSTEMS ABILITY TO COMBAT HOMELESSNESS**

In 2010, the City of Boulder was one of several local governments and multiple community partners in Boulder County to adopt the Boulder County Ten-Year Plan to Address Homelessness. Despite progress, homelessness remains a significant community concern with a need for specific and targeted innovative city and regional solutions, including those involving law enforcement and courts. A small percentage of Boulder's homeless have frequent interactions with the city's police department and municipal court, resulting in multiple tickets and arrests and a heavy burden on the city. The Boulder Police Department and Municipal Court have been very aware of the system of services available to help the homeless and have worked to build referrals and connections through the officers on the street, probation officers, and now the Homeless Outreach Team, Court Navigator and through the sentencing alternatives that have been traditionally provided by the court. The city supports state legislation that funds and facilitates such efforts. At the same time, the city opposes legislation that would diminish its local control and authority to address homelessness in the manner best suited for community needs.

In recent years, legislation has been introduced (i.e., HB15-1264, "Colorado Right to Rest Act" and HB16-1191 "Bill of Rights for Persons Who Are Homeless") aimed at protecting the homeless by, among other things, prohibiting local governments from banning camping in public spaces. These efforts, while well intentioned, are ineffective responses to the challenges presented by homelessness. If enacted, it would turn public property into residential areas without the proper facilities and ultimately make Boulder less safe and less desirable for everyone. Moreover, it would seriously undermine municipal home rule authority and basic principles of local control. Accordingly, the city will oppose this type of legislation if introduced again.

In an effort to ensure that public property is available, welcoming and safe for all users, Boulder prohibits camping on public property. It does so while simultaneously working with partners across the county and region to coordinate and develop successful permanent solutions to homelessness, such as permanent and transitional housing programs, emergency and day shelter services, coordinated case management and assessment, landlord recruitment and regional housing placement for those who want to get off the streets. In all, the city spends over $1,000,000 per year to assist homeless people in Boulder; more than any other Front Range city on a per capita basis. If the state were to limit the city's ability to ban camping in public spaces, the availability and public support for such funding would likely

diminish as a result of the inevitable expenses associated with the litigation, monitoring, clean up and public health and safety concerns that would arise.

NATURAL RESOURCES, WILDLIFE AND PARKS

- **PROTECT THE ABILITY OF LOCAL GOVERNMENTS AND THE LAND TRUST COMMUNITY TO ACQUIRE AND PROTECT PARKS AND OPEN SPACE**

Colorado Lottery proceeds have been one of the few sources of state funding for conservation of natural resources, wildlife and parks, providing $2.3 billion statewide over the past 28 years. Profits from the sale of lottery products are allocated according to the following formula: up to 50 percent to the Great Outdoors Colorado (GOCO) Trust Fund, 40 percent to the Conservation Trust Fund (CTF), and 10 percent to the Colorado Division of Parks and Outdoor Recreation. GOCO provides competitive grants to projects that preserve, protect and enhance Colorado's wildlife, parks, rivers, trails and open space. The fund is capped (approximately $54 million in 2011) and any spillover is directed to the BEST rural school capital construction assistance fund. The CTF funds are used by local communities across the state for outdoor projects including trail construction, ball fields, playgrounds and adding new parks or enhancing existing parks.

CTF and GOCO funds have for years been a critical part of the city's capital budget. Important acquisitions have been added to Boulder's inventory of parks and open space that have helped shape our community, preserve ecological systems and create opportunities for active and passive recreation for people of all ages. Among the projects accomplished with GOCO funding include Valmont Bike Park, winner of the 2011 Colorado Parks and Recreation Association award for recreation facility design and host of the 2014 USA Cyclo-Cross National Championships.

The city supports preservation of the current lottery distribution formula and will oppose legislation that would change that allocation or create new lottery scratch tickets for other purposes that would decrease demand for the existing lottery tickets.

- **SUPPORT STATE LEGISLATION FURTHERING IMPLEMENTATION OF THE CITY'S URBAN WILDLIFE MANAGEMENT PLAN**

The Urban Wildlife Management Plan (UWMP) was developed to provide guidance on how Boulder's urban areas will provide diverse, self-sustaining, native wildlife populations in a manner compatible with basic human needs, social and economic values and long-term ecological sustainability. The plan also seeks to reduce conflicts between humans and wildlife in the urban core. Management of the city's lands outside of the urban core such as Open Space and Mountain Parks lands and utilities lands (Silver Lake Watershed, Boulder Reservoir) are covered by the plans of the appropriate managing department.

Because of the network of nearby natural lands, its geographic setting at the intersection of the mountains and plains, Boulder's urban areas are visited or inhabited by a wide range of wildlife species. Some species keep a low profile, present little or no conflict and go unnoticed by most urban residents. Other species are highly valued by the community, but most of these present little or no conflict with urban services or land uses. There are, however species that are valued by the community that do come into conflict with people. These include prairie dogs, black bear, mountain lions, Canada geese and mule deer. The city is often attempting to simultaneously conserve these species on open space lands, while managing conflict in the urban area.

There are often opportunities on a species-specific level to support legislation at a state or federal level to complement our conservation and conflict management efforts. Examples include support of funding for mosquito management to address state or federal public health issues/mandates; modifications of laws to allow prairie dog relocation to other counties without commissioner approval; and, modifications to in-stream flow legislation that would allow the city to retain the value of its water rights while simultaneously conserving native and sport fisheries.

- **SUPPORT TO ADDRESS THE CITY'S EMERALD ASH BORER INFESTATION**

In late September of 2013, the emerald ash borer (EAB), an invasive pest of ash trees, was identified within the city limits of Boulder. The EAB is very difficult to detect in early stages and kills even healthy ash trees within 2-4 years of initial attack. Although the EAB flies, infestation normally results from movement of infested ash trees and wood (e.g., firewood, chips, packing and industrial materials). All attempts to eradicate this pest across the Midwest have failed due to the difficulty in detection and ease of movement; by the time the pest is found in an area it has already established and spread to other areas.

The EAB poses a significant threat to all ash trees within the city. There are approximately 50,000 city park and public street rights-of-way trees under the jurisdiction of the Boulder Parks and Recreation Urban Forestry Division: approximately 6,000 are ash trees (12 percent of the public tree population). That number within the city rises to 70,000 when you include private ash trees and 1.45 million when you take into account all the ash trees in the Denver metro area. Consequently, local governments may require significant support from the state to contain the threat, enforce a quarantine, remove dead trees and to educate the public.

Another issue to consider is urban tree canopy. The urban tree canopy along the Front Range provides huge environmental benefits to communities like Boulder including stormwater runoff reduction (helps to reduce flood risk). The city of Fort Collins recently performed an i-tree Eco study that looked at the number and percent of ash on both public and private property. The project showed the City of Fort Collins had 15% ash trees. Given ash is a large maturing tree with a large canopy, it actually comprised 33% of the urban tree canopy and therefore, contributes more towards the canopy on a per tree basis than other tree species. If

we assume the same for Boulder and across the Front Range, the loss of environmental services provided to communities due to EAB is staggering. When trees die on private property, the cost of tree removal raises concerns with regard to whether there will be resources available to replace individual trees and the tree canopy for future generations.

The city will support necessary state legislation, including requests for supplemental funding for the CDA or the creation of an account to support emergency response to pests when no specific agricultural or horticultural industry is primarily impacted, to allow the state to partner with the city in addressing the challenges presented by the EAB.

- **SUPPORT RESTORATION OF LOCAL GOVERNMENT AUTHORITY TO REGULATE CERTAIN PESTICIDE USES AND FOR ADDITIONAL PROTECTIONS FOR POLLINATORS, HUMAN HEALTH AND WATER QUALITY**

The Colorado Pesticide Applicators' Act applies to pesticide applicators with the focus primarily on licensing of commercial pesticide applicators. The act is administered and enforced by the Colorado Department of Agriculture which also administers EPA rules and federal pesticide law in Colorado. Until 2006, when industry-backed legislation was enacted, the Act allowed local governments in Colorado wide discretion to enact pesticide regulations. Since 2006, however, local control to regulate almost all aspects of pesticide use has been preempted by state law. The 2006 legislation expanded state preemption for all pesticide users. The only exception is for the posting of notification of pesticide applications for non-commercial pesticide applicators.

Given the city's vested concerns in regaining some of its former authority to protect human health and the environment from the potential adverse effects of pesticides, the city will advocate for legislation that provides a more balanced perspective on pesticide use that takes into account recent studies concerning the human health and environmental impacts of pesticides. Specifically, it will support state protections concerning pesticide exposure that affects children, pollinators and water quality and restoration of the ability in specific situations for local governments to regain some authority to restrict pesticide use when immediate risk to human health or the environment cannot be addressed by the federal or state governments to adequately safeguard the public interest in a timely manner. The city will also support funding for increased education or research on alternatives to pesticides and programs that provide increased pesticide-free habitat, sustainable agriculture and preservation of biodiversity.

Rapid decline of honeybees and other pollinators threatens the U.S. agricultural system and the functioning of general ecosystem services. Urgent regulatory action is needed at all levels of government. State restoration of local control would allow municipalities to address pollinator-specific concerns. The city also supports measures for pollinator protections at all levels of government, including federal legislation such as the Saving America's Pollinators Act.

- **SUPPORT EFFORTS THAT PROTECT THE BOULDER COMMUNITY FROM WILDFIRE AND PROMOTE ECOLOGICAL FOREST HEALTH**

The city owns and manages 10,000 acres of forested open space and mountain parks land, almost all outside the boundaries of the city but immediately adjacent to residential areas. The health of these forests is critical to preventing catastrophic fires and to supporting biodiversity and creating resiliency. Historic fire suppression has led to overly dense forest conditions around Boulder that can have a direct impact on wildfire intensity and frequency, habitat function, water quality and recreational values. The city is dedicated to protecting these natural resource values by implementing vegetation management activities that improve the overall ecological health of our forests, decrease the risk of high intensity wildfires, maintain and improve habitat for fish, wildlife, and plants and protect public and private resources. Accordingly, the city will support federal and state legislation that promotes wildfire mitigation and forest restoration efforts in the wildland/urban interface.

PUBLIC HEALTH AND SAFETY

- **STATE AND FEDERAL ASSISTANCE FOR FLOOD DISASTER RECOVERY NEEDS AND EXPENSES**

September 2013 brought unprecedented rainfall to the region causing significant flooding and extensive damage to many Colorado communities. In Boulder, total damage to city infrastructure and public lands is estimated at $27.6 million, and private-property damage is estimated at $200 million. The city was declared a national disaster which created the opportunity for possible reimbursement through the Federal Emergency Management Agency (FEMA), Federal Highway Administration (FHWA) and the State of Colorado. As of August 2016, the city had spent approximately $20.2 million on flood recovery. Estimated reimbursements from FEMA, the State of Colorado and the Federal Highway Administration (FHWA) are currently anticipated to be $17.6 million. From FEMA specifically, the city has received $9.5 million in reimbursements to date. The city continues to expend significant resources to ensure that FEMA projects and expenses remain eligible for reimbursement. The city wants to ensure that the State of Colorado and FEMA region VIII possess the appropriate capacity to provide the technical assistance necessary to ensure an efficient flood recovery process. The city will support efforts to ensure that the state and FEMA receive appropriate resources to support local governments' efforts to rebuild as more resilient communities.

The city still has one FEMA project from the 2013 floods which is under a second appeal before the Assistant Administrator for the Mitigation Directorate in Washington D.C. The city will support efforts to ensure that FEMA policies adequately support the unique aspects of flood recovery in mountain states.

The city, in collaboration with the other jurisdictions in Boulder County, have been working together to obtain Housing and Urban Development (HUD) Community Development Block

Grant – Disaster Recovery (CDBG-DR) funds. This program is administered through the State of Colorado, and similar to the FEMA Public Assistance program, the city wants to ensure the state possesses the appropriate resources, and continues to coordinate with local jurisdictions on where the remaining needs are. For example, the State of Colorado's 1st Substantial Amendment to the Action Plan which directs the funding to various programs identified a nearly equal need between housing and infrastructure needs. A local unmet needs analysis performed by the communities in Boulder County demonstrated that 78% of the remaining need is within the infrastructure category. The city appreciates HUD's approval of the sub allocation approach to allocating CDBG-DR funding in Boulder County to allow projects to be sufficiently funded and the local unmet needs analysis to direct all future funding decisions.

- **SUPPORT SAFE USE AND COMMERCIAL REGULATION OF RECREATIONAL MARIJUANA**

The city will support or oppose legislation, as necessary, in furtherance of the following principles:

1. Maintaining or creating new mechanisms to ensure marijuana is appropriately labeled and regulated so that only adults intentionally choosing to use marijuana are exposed to it, that such users receive a safe product with complete information about the impacts of what they are choosing to ingest, and that these substances are kept away from children.
2. Maintaining a dual licensing system to allow both the state and local governments to issue and enforce licensing of commercial marijuana facilities.
3. Allowing local governments to recover the full costs of any commercial licenses they choose to allow.
4. Maintaining as a matter of state interest and responsibility the creation of overall safety requirements related to recreational marijuana while reserving to local governments specific abilities, but not mandate, to adopt additional requirements and monitor and enforce those rules.

On May 5, 2016, a letter was sent to the General Assembly by the Colorado Association of Chiefs of Police, the County Sheriffs of Colorado and the Colorado District Attorneys' Council requesting a two-year moratorium on changes to current marijuana laws, unless a strong public safety nexus is established. These enforcement officials stated that they cannot keep up with the quantity and speed of constantly-changing marijuana laws and cite, as examples, the introduction of over 81 related bills in the Colorado General Assembly since 2012. The city shares the concerns that the constant change in regulation creates inconsistencies in the collection of data trends and makes it extremely difficult to keep police officers trained and to maintain operational policies that address legalized marijuana. It therefore urges the General Assembly to exercise restraint in changing the marijuana laws until 2018 unless a public safety imperative exists.

- **SUPPORT REMOVAL OF BARRIERS THAT PREVENT LEGITIMATE MARIJUANA BUSINESSES TO ACCESS BANKING SERVICES**

Legitimate marijuana businesses in Boulder are forced to operate on a cash-only basis because the substance's federal status currently bars banks from doing business with them. This inequity creates a vulnerability to several of the enforcement priorities outlined in the Deputy Attorney General's letter dated August 29, 2013. More importantly it creates a serious local public safety problem. Statutory solutions are at the federal level and there are efforts underway to try and address this, most recently by Rep. Ed Perlmutter. The city will support these efforts to remove legal and administrative barriers that prevent these businesses from accessing banking services.

- **PROMOTE HEALTH AND SAFETY CONCERNS ASSOCIATED WITH ALCOHOL ABUSE IN THE GREATER COMMUNITY**

Boulder's City Council adopted Resolution 960 on October 19, 2004, concerning alcohol abuse within the community. This resolution affirmed the city's commitment to finding solutions to address the critical issues of health, safety and well-being stemming from alcohol abuse within the city.

Since this time, Council has expressly stated its support for appropriate legislation that would:

1. Require the sale of kegs containing alcohol to have a tag attached that would permit tracing of the purchaser;
2. Require mandatory server training;
3. Repeal the provision contained in C.R.S. Section 27-81-117 preventing municipalities from adopting public drunkenness ordinances; and,
4. Permit municipalities to regulate licensees' hours of alcohol service.

The city will support appropriate legislation that furthers these goals. Conversely, the city will oppose any legislation that undermines these goals, including efforts similar to SB12-118 which would eliminate the 25 percent food requirement for Hotel and Restaurant liquor licenses.

- **SUPPORT EFFORTS TO PREVENT GUN VIOLENCE**

The city supports the following specific measures to prevent gun violence:

1. Change federal law to require universal background checks on all sales of firearms, including private sales. Current federal law allows individuals not "engaged in the business" of selling firearms to sell guns without a license—and without processing any paperwork. Sometimes referred to as the "Gun Show Loophole," the sales

excluded from the federal background check requirement include firearms sold at gun shows and through classified newspaper ads, the Internet and between individuals virtually anywhere. While criminal background checks are currently required for almost all firearm transfers in Colorado, there are states that do not have such laws. In order to ensure that guns are not placed in the hands of criminals in Colorado, a change to federal law is necessary.

2. Oppose expanding the immunity given to homeowners if they shoot and kill intruders, also known as the "make my day" law, beyond personal residences.

3. Oppose legislation limiting the state's ability to regulate concealed weapons or local government's ability to restrict possession of weapons in public facilities. The city will oppose federal legislation that would require Colorado to honor concealed carry permits granted by other states, even when those permit holders could not meet the standards required by Colorado law. Boulder also has concerns with regard to the open carrying of guns. While cities are prevented from restricting permitted holders of concealed weapons, Boulder wants to make sure it maintains the ability to prevent the open carrying of guns in its public facilities. The open carrying of weapons is alarming to many people and can create logistical issues for the police department.

- **OPPOSE MANDATES FOR LOCAL GOVERNMENT ENFORCEMENT OF FEDERAL IMMIGRATION LAWS**

The city supports preserving the option for its police officers to enforce federal laws, including federal immigration laws. However, it will vigorously oppose any state or federal legislation that mandates that its police enforce federal immigration laws, especially if they are unfunded mandates or are likely to result in enforcement officers engaging in racial profiling or discrimination based on race, ethnicity or national origin.

- **OPPOSE INFRINGEMENTS ON EMPLOYMENT AND PERSONNEL DECISIONS MADE BY MUNICIPAL POLICE AND FIRE DEPARTMENTS**

Employees of the city's fire and police departments are part of collective bargaining units. As part of those units, they have the right to negotiate the terms of their employment. The city opposes any state or federal law that would mandate municipalities to collectively bargain with public safety employee labor unions over wages, benefits or working conditions, under one-size-fits-all rules.

- **OPPOSE IMPOSITION OF ONEROUS INFORMATION GATHERING AND REPORTING REQUIREMENTS ON PUBLIC SAFETY, ESPECIALLY WHEN THOSE REQUIREMENTS COME WITH**

SUBSTANTIAL COSTS THAT ARE NOT SUPPORTED BY ADEQUATE FUNDING

An example of a reporting requirement that has been imposed on local law enforcement agencies in the past is the state law requiring the arrest of undocumented immigrants to be reported to Immigration and Customs Enforcement.

- **INCREASE THE FINANCIAL THRESHOLD OF PROPERTY DAMAGE THAT TRIGGERS A POLICE INVESTIGATION OF NON-INJURY TRAFFIC ACCIDENTS**

It takes very little damage to a vehicle to reach the current threshold of $1,000. While the city's police department currently responds to most accidents, increasing the damage threshold will provide greater flexibility and more local control over the use of police resources.

- **OPPOSE LIMITATIONS ON MUNICIPAL AUTHORITY TO OPERATE RED LIGHT OR PHOTO RADAR CAMERAS TO ENFORCE TRAFFIC SAFETY**

Boulder is one of nine cities in Colorado that use photo enforcement to enhance the safety of its streets. The red light locations in Boulder were carefully selected due to a historic rate of higher accidents over other locations. Use of photo enforcement at these red light locations has yielded significant safety benefits and reduced red light running accidents by 68 percent. Moreover, fewer and fewer red light tickets are issued at these locations each year due to increased compliance. Removal of these cameras could result in accident rates and non-compliance returning to pre-enforcement levels.

Quantifying photo speed enforcement success is somewhat more difficult. It is implemented per strict state statute requirements that limit where it can be placed. It enables the city to enforce speed limits in neighborhood locations that do not have a high enough volume of traffic to justify deployment of officers. It is particularly effective in school zones. One conclusion that can be made is that photo speed enforcement has enhanced the safety of neighborhood streets and school zones by reducing speeding.

Between 1999, when Boulder first introduced photo enforcement, and 2015, fines associated with violations of the city's photo enforcement program and red light violations generated $19,814,109 in revenue at a direct cost to the city of $18,299,626. When soft costs of overseeing the program are factored in, the costs of running the program essentially run even to the revenue it generates.

The true cost associated with motorists running red lights and speeding through neighborhoods is not captured in the financial information provided above. It is best quantified in the cost to our community associated with the personal injury and property

damage from motorists speeding and running red lights. Recent studies have shown that the average red light camera location in the U.S. results in $38,000 a year in reduced societal costs, not to mention the number of lives and grief saved from fewer right-angle crashes. For Boulder, with our eight (8) red light running cameras, this results in $304,000 in societal cost saved annually.

For these reasons, the city will oppose any legislation that would prohibit or unreasonably further restrict the rights of local governments to use red light cameras or photo radar enforcement.

ROCKY FLATS

- **SUPPORT FUNDING FOR THE DEPARTMENT OF ENERGY FOR THE OFFICE OF LEGACY MANAGEMENT AND U.S. FISH AND WILDLIFE SERVICE IN ORDER TO MANAGE ROCKY FLATS AS A NATIONAL WILDLIFE REFUGE WITH THE APPROPRIATE SYSTEMS IN PLACE FOR LONG TERM STEWARDSHIP**

In February of 2006, the Rocky Flats Stewardship Council (RFSC) was formed to focus on the post-closure management of Rocky Flats, the former nuclear weapons plant southwest of Boulder. As a member of RFSC, the city is very supportive of the 2001 federal legislation (Rocky Flats National Wildlife Refuge Act of 2001) that designated Rocky Flats as a national wildlife refuge site as well as the requirement that long-term liability, ownership and management of the site remain with the federal government. The city supports legislation authorizing, funding, or otherwise providing assistance for the Rocky Flats Legacy Stakeholders Organization, or alternative organization, to work on coordinating regional open space and conservation efforts as they relate to Rocky Flats

TAX POLICY

- **SUPPORT THE MARKET FAIRNESS ACT AND OTHER ACTION TO PRESERVE AND EXPAND THE AUTHORITY OF LOCAL GOVERNMENTS TO COLLECT TAXES**

According to research undertaken by Forrester Research for Internet Retailer, national online retail spending climbed to nearly $200 billion in 2011, up from $30 billion in 2000, and will grow approximately 10 percent per year to reach $280 billion and comprise more than seven percent of overall national retail spending by 2015. At the state level, the National Conference of State Legislatures estimates that Colorado will lose $352 million in 2012 from uncollected sales taxes. The growth in internet retail activity presents a clear challenge to the operating budgets of Colorado's local governments, many of which rely on sales taxes to fund critical municipal services, as well as the state budget. Consequently, the city supports legislation, such as the Marketplace Fairness Act, that provides authority for states and Colorado local governments to collect sales taxes on purchases made over the internet,

regardless of whether the vendor has a physical nexus with the state. Appropriate limitations on this authority might include exemptions for small businesses, centralized collection of taxes on non-nexus sales and adoption of a common tax base for non-nexus sales. However, the city will not support changes which would allow the state to collect and remit tax revenues on non-nexus sales based on anything other than each municipality's individual sales tax rate (e.g., the city opposes use of a blended tax rate) or which would dictate the tax base or assume authority to collect revenues on local nexus sales which the city already has the authority to tax and collect.

- **PRESERVE THE MUNICIPAL BOND FEDERAL INCOME TAX EXEMPTION**

Municipal bonds are the primary way local governments finance infrastructure and have been for over a century. Eliminating the tax exemption would increase the cost to taxpayers for schools, water treatment facilities, libraries, bridges, and many other public projects. The exemption benefits all Americans. It is not a special interest loophole and should not be treated as such.

TELECOMMUNICATIONS

- **REESTABLISH THE RIGHT OF MUNICIPALITIES TO PROVIDE TELECOMMUNICATION SERVICES SUCH AS LARGE AND COMPLEX CITY-WIDE FIBER AND PREMISE NETWORKS**

The provision of telecommunication access to ensure effective and appropriate access to educational and city resources are seen as a must in today's society. Utilizing current infrastructure and public-private partnerships can create necessary competition to retain low-cost, high-speed access to our residents, regardless of economic status. Senate Bill 05-152 preempted home rule municipalities from providing telecommunication services (with certain limited exceptions) without a vote of the people, even if infrastructure had already been built. Boulder believes that this legislation is overly restrictive in its private sector "non-compete" provisions. Given the very "low and slow" market evolution in providing low-cost and easily accessible internet and other telecommunication services, the city is completely hamstrung in seeking ways of legitimately investing public dollars in infrastructure and services to resolve the digital divide and general access issues in our communities.

TRANSPORTATION

- **~~INCREASE TRANSPORTATION FUNDING AND P~~PRIORITIZE EXPENDITURE OF EXISTING AND NEW TRANSPORTATION FUNDING ~~ITS EXPENDITURE~~ ON PROJECTS THAT MAINTAIN**

EXISTING INFRASTRUCTURE, ARE MULTIMODAL IN DESIGN AND THAT OTHERWISE PROMOTE SMART GROWTH

The city and the entire Denver metropolitan area are in need of new funding to maintain existing infrastructure and transit services, for multi-modal transportation improvements related to roadway, bicycle, pedestrian, carpool/vanpool and for travel demand management activities that would increase the efficiency of the existing system. There is a critical need for federal and state funds to ensure completion of the US 36 BRT project, including funding to acquire the best vehicles and BRT amenities possible and first and final mile connections to that corridor. Funding is also necessary for implementation of the recommendations of the Northwest Area Mobility Study (NAMS); specifically, North I-25 bi-directional HOV/Transit lanes and development of an arterial BRT system along SH119, US287, 120th Ave, South Boulder Road, Arapahoe/SH7, and SH 42.

The city supports turning to funding sources that are tied to transportation use, including vehicle registration, car rentals, gasoline consumption or vehicle miles traveled, provided that a significant portion of the funding generated is directed toward specific, identified projects, including US Highway 36 and arterial BRT, or to programs that fund alternative modes of transportation.

This city also supports the recent trend of turning to managed lanes as a practical solution for improving mobility by providing viable travel options in congested corridors. In fact, the city believes that any significant new lane capacity built with state funds should be required to be managed. Managed lanes should result in regulation of demand to ensure choices for the traveler beyond the single occupancy vehicle by providing for the option of travel by bus and free or discounted access to high occupancy vehicles ("HOVs"), as well as allowing pricing to help manage corridor performance, such as dynamic, variable-priced tolls linked to congestion. Public-private partnerships (PPPs) are often essential to identifying funding to construct managed lanes. The challenge, however, is that the partnerships can sometimes focus too much on revenue generation and insufficiently on transportation performance. Moreover, decisions can be made by the state that do not receive sufficient vetting and/or oversight from the affected local governments. In order to ensure that only appropriate toll projects are built, the city would support legislation to require all PPPs for managed lanes to undergo a transparent approval process and to demonstrate maximization in the transportation of people (not just vehicles); reinvestment of at least a portion of toll operating revenues into the corridor for continued improvements; and prioritization of travel choices with a portion of toll revenues supporting transit and/or travel demand management, in order to maximize the value of the transportation investment and to ensure that lower-income residents benefit from the public investment in a toll road. The city also supports legislation mandating a determination by the appropriate Metropolitan Planning Organizations (MPOs) that all toll projects, including those which do not use state or federal funding, be analyzed for consistency with the development policies of the MPO's plan, and that the MPOs assess implications of such projects on the region's fiscal health, air and water quality, energy, climate change and long-term sustainability. Finally, the city would support legislation similar to HB12-1171 that would prohibit the use of so called "non-compete" clauses which are sometimes included in PPPs to preclude maintenance of, or

improvements to, existing roads (e.g., Highway 93) in order to increase travel demand on new tolled lanes.

The city believes that new or existing funding should be used for regional priorities as determined by the area MPO, or, where no MPO exists, by the local Transportation Planning Region (TPR) where the improvements are supported by the affected local governments. The city also believes that state legislation should require MPOs and TPRs to model projects for their expected contribution to greenhouse gases and vehicle miles traveled and to prioritize those projects that reduce both.

- **REALIGN THE COLORADO TRANSPORTATION COMMISSION TO INCLUDE POPULATION, NOT JUST GEOGRAPHY, TO ENSURE FAIR REPRESENTATION OF THE METROPOLITAN AREA**

- **PROMOTE "COMPLETE STREETS," ACCOMMODATING ALL MODES OF TRAVEL**

The city supports legislation that furthers the concept of "Complete Streets" where modes are interconnected and a complete set of options are made available to improve efficiency and mobility for all. The city also supports legislation that promotes sustainable transportation solutions recognizing energy sources, impacts of vehicle miles traveled, connections to land use, urban design, and increased accessibility for all.

- **OPPOSE LIMITATIONS ON THE CITY'S ABILITY TO REGULATE VEHICLE USE ON SIDEWALKS, MULTI-USE PATHWAYS, AND BIKE LANES, OR THAT REQUIRES THE CITY TO ALTER ITS CURRENT CODE IN ORDER TO MAINTAIN CURRENT POLICY ON ALLOWED USES OF THOSE FACILITIES**

The city's current ordinances prohibit the use of Segways or motorized "toy vehicles" such as scooters, electric skateboards or mini bikes on sidewalks, multi-use paths or bike lanes. City-initiated changes to such policies would best be informed by a public process where input from the various sidewalk, multi-use path, and trail users could be solicited and evaluated. The city opposes changes to state law that would require the city to change its policy or force an unnecessary and potentially controversial re-evaluation of its policy.

- **OPPOSE TRANSFERING THE MAINTENANCE RESPONSIBILITIES FOR REGIONAL HIGHWAYS FROM THE COLORADO DEPARTMENT OF TRANSPORTATION TO LOCAL GOVERNMENTS**

In past years, the Colorado General Assembly has been asked to consider legislation that would lead to the unilateral transfer to local governments of state highways. Boulder has several state highways that would be subject to such "devolution," including U.S. 36 and Highways 93, 7 and 119. The city believes that these types of regional highways, which service multiple communities and counties, need to remain the responsibility of the state government.

- **SUPPORT FLEXIBLE SOLUTIONS AND NEW FUNDING OPPORTUNITIES TO ADDRESS IMPACTS OF TRAIN HORN NOISE AND SUPPORT CREATION OF QUIET ZONES**

The city supports more flexible and affordable options that work within the context of the local communities and support the safety goals of the Federal Railroad Administration (FRA) as well as the sustainability goals of EPA, HUD, DOT (FTA & FHWA). Addressing train horn noise and quiet zones is important to achieve local, regional and national goals for multimodal transportation options, safety, housing, jobs and the environment. Opportunities to amend the FRA train horn rules and quiet zone requirements, as well as identify funding sources for implementation, can address existing community concerns caused by train horn noise and support transportation options and mixed use, transit oriented development areas within the core areas of the city and other communities located along the Burlington Northern Santa Fe railroad corridor.

- **SUPPORT EXTENSTION OF EXISTING STATE ENABLING LEGISLATION THAT PROVIDES AUTHORITY FOR REGIONAL TRANSPORTATION AUTHORITIES TO COLLECT PROPERTY TAXES FOR TRANSIT PROGRAMS**

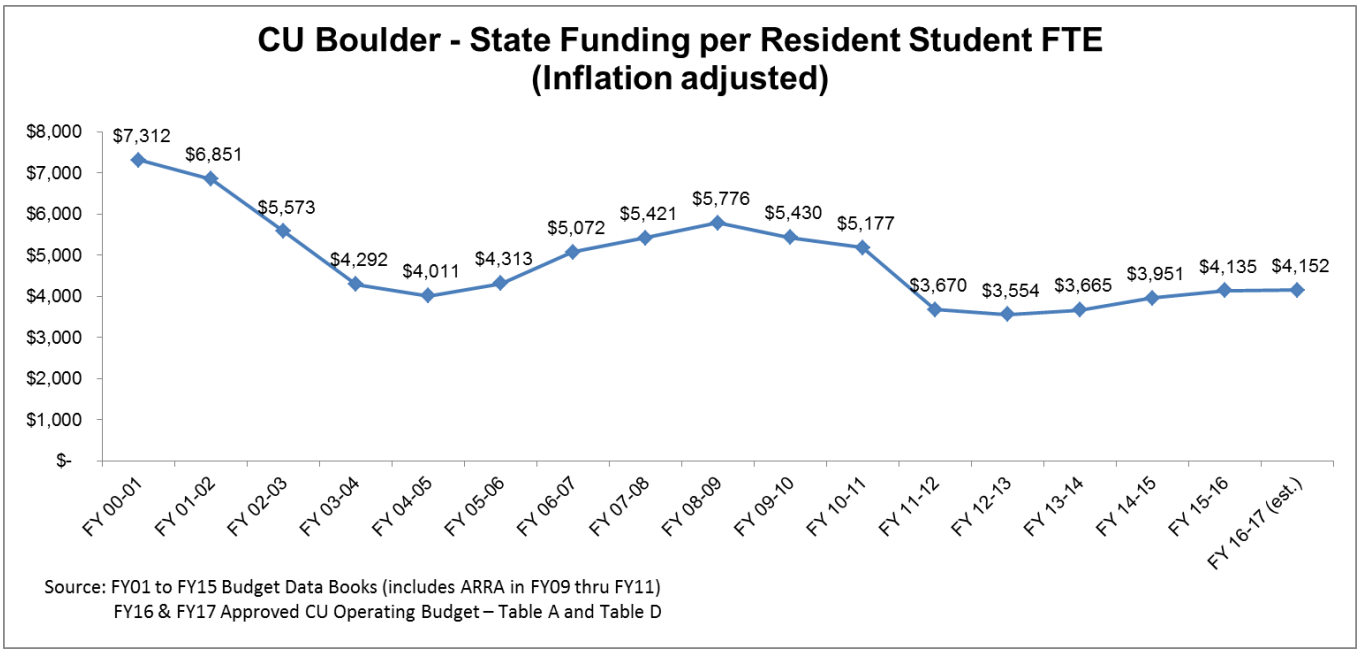
The formation of Regional Transportation Authorities (RTAs) is enabled by state statute. RTAs are formed by two or more local governments to finance, construct, operate and maintain regional transportation systems. Under the current state enabling legislation, RTAs are authorized to derive funding from several types of fees and taxes, subject to voter approval. The authority RTAs currently hold to collect a property tax up to a maximum levy of five mils on property within the RTA territory, expires at the end of 2018. The city supports extending this authority for RTAs to collect property taxes for regional transit programs.

UNIVERSITY OF COLORADO

- **SUPPORT A RENEWED COMMITMENT BY THE STATE AND FEDERAL GOVERNMENTS TO FUND THE UNIVERSITY OF COLORADO AND ITS CAPITAL PROGRAMS**

The City of Boulder has been the proud home to the flagship campus of the University of Colorado (CU) since 1876. CU Boulder brings to the city the Colorado Shakespeare Festival, the Conference on World Affairs, the CU Concerts and Artist Series, CU on the Weekends, Science Discovery camps, access to libraries, museums, athletic events, noncredit courses, and numerous other social and cultural offerings, all of which significantly contribute to the city's vibrancy.

Furthermore, CU Boulder directly employed 15,796 people in fiscal year (FY) 2015-16, 7,747 of whom were non-students (including temporary workers) earning average salaries of approximately $67,565. Nonstudent employment and wages at the CU Boulder accounted for about 5.5% of total employment and wages in Boulder County in 2015. The CU Boulder FY2015-16 budget totaled $1.50 billion; the FY2016-17 budget is $1.58 billion. The University is not only a local institution, but much of the supply chain is also inherently local since the primary services delivered include classroom instruction and research. Additional investments in the local economy include operations, construction, student spending and visitation. With its largely non-local funding CU also leverages outside investment in our local economy. The presence of CU's research facilities and the highly skilled labor force that CU produces, have attracted major federal facilities, satellite institutions, and major private firms to the city.



Yet, as reflected in the above graph, state funding for CU Boulder has seen more than a 43 percent decline in state funding for resident students since FY 2001. In light of the extraordinary importance of CU to the city, the city will support state and federal legislation that provides a renewed attention to funding CU, its capital programs (facing a deferred maintenance backlog of approximately $655 million as of July 2016), and particularly legislation that helps preserve the flagship status of CU Boulder.

WATER

- **SUPPORT LEGISLATION THAT PROMOTES THE EFFICIENT UTILIZATION AND CONSERVATION OF WATER**

Boulder is on the forefront of support for water conservation and efficient utilization of water. Boulder uses a water budget rate structure to reward the efficient use of water and penalize wasteful practices. Boulder has adopted water conservation goals for build-out that will help meet the city's adopted reliability criteria for water supplies without significant new water acquisitions when fully using water sources already owned by the city. Water conservation can be an important public outreach and educational tool and can help to maximize reservoir storage levels and water use reductions needed during drought periods. Although the first priority for conserved water is drought protection and the extent to which the city can direct conserved water to any particular use is limited, when reservoirs are full, some conserved water can be provided for non-permanent uses such as annual agricultural leasing or instream flow enhancement. Accordingly, Boulder will support legislation that promotes water conservation, instream flow enhancement and the efficient utilization of water when such legislation is structured to also be protective of the city's water rights. By way of example, the city would support legislation that would phase in a requirement that new indoor water fixtures (including toilets, urinals, showers and faucets) sold in Colorado meet reduced flush volume requirements consistent with the US Environmental Protection Agencies WaterSense guidelines, provided that the legislation would not mandate retrofitting nor require local governments to assure compliance.

- **OPPOSE SIGNIFICANT THREATS TO THE CITY'S WATER RIGHTS**

In prior years, Boulder has lost thousands of acre-feet of the city's water because of the lack of proper well augmentation on the South Platte River. Loss of this reservoir water increases Boulder's risk of severe water shortage during drought years. In non-drought years, the city supports Boulder Creek basin farmers through annual leases of any water in excess of the city's short-term and long-term needs for approximately $35 per acre foot. Offsetting un-augmented well use in the South Platte basin would represent a $120,000 loss to the city in a year that 4,000 acre-feet of water is given up and would also decrease water for Boulder Creek farmers by reducing the city's leasable supplies. If other water users with junior water rights were to operate without proper augmentation and cause Boulder to need to permanently replace the water rights for 4,000 acre-feet of municipal water to protect the

city against drought and any negative effects of climate change that might occur, it would cost $48,000,000 or more.

Recent Colorado Supreme Court decisions have found that the State Engineer was not properly administering some water rights, such as for agricultural irrigation wells that were operating under junior water rights without providing senior water rights owners with sufficient augmentation water. New state legislation passed in the years from 2003 to 2009 clarifies that many well owners must file in water court for well augmentation plans and address the amount of augmentation water to be provided. To protect the yield of its existing water rights, Boulder has coordinated with other water users owning senior surface water rights, including many farmers, to participate in water court cases and monitor legislative actions regarding water rights. Many of the underlying disputes have now been addressed. Nevertheless, some issues remain that may result in the General Assembly again becoming the arena for water bills that attempt to incrementally adjust, or in many cases by-pass, the state constitution's Prior Appropriation Doctrine.

Bills that may be introduced might include attempts to limit the amount of augmentation water that junior diverters are required to return to the river to less than their impact on more senior water rights or to replace the jurisdiction of water courts with state engineer authority such that decisions on the adequacy of augmentation plans would be less transparent and subject to political influence. The city is committed to the legal principle of maximum utilization of both surface water and groundwater and believes this can best be achieved through water court-approved augmentation plans rather than the political process. To the extent that future bills significantly threaten the city's water rights, such as by shifting responsibility for well augmentation from well users to senior water rights owners, or increasing reliability for junior water rights by decreasing reliability for senior water rights, they will be vigorously opposed.

Consortium of Cities

Potential Priorities for the 2016 Consortium State Legislative Agenda - REVISED

	Subject	Position	Description	Included in past Consortium legislative agendas?	Notes
1	State Affordable Housing Tax Credit	Support legislation to extend the low income housing tax credit beyond 2016.	HB 14-1017 authorized the Colorado Housing and Finance Authority (CHFA) to competitively award $5 million in state Low Income Housing Tax Credits in both 2015 and 2016. The bill also created the opportunity for CHFA to allocate tax credits above the $5 million annual cap to support affordable housing developments in counties impacted by natural disasters. In its first year of existence, the state LIHTC program has supported the development of nearly 2,000 affordable housing units, directed nearly $170 million in new private sector investment towards meeting Colorado's affordable housing shortfall, and generated nearly $600 million in economic impact across the state.	No	Legislation to be introduced in 2016.
2	Scientific and Cultural Facilities District Tax Reauthorization	Support legislation to place the Scientific and Cultural Facilities District tax reauthorization proposal before district voters in 2016.	The Science and Cultural Facilities District (SCFD) is a nationally-acclaimed model for funding scientific and cultural organizations in the seven-county Denver metro region. The one-tenth of one cent sales tax that funds the SCFD, initially approved by region voters in 1988 and subsequently reauthorized in 1994 and 2004, is set to expire in 2016. This sales tax provides vital funding to nearly 300 scientific and cultural organizations throughout the Denver metro area, which collectively welcome nearly 15 million visitors annually, generate more than $1.85 billion a year in economic activity, and support more than 10,000 jobs. In 2015, $1.85 million in SCFD funding will flow to the more than 80 Tier II and Tier III organizations that provide cultural programs within Boulder County, all of which contribute to the unique cultural richness of our community. These organizations served 726,375 Boulder County residents in 2014, and provided free programming and cultural experiences to over	No	SB 16-016, Modifications to the SCFD, introduced on January 13. Bill is currently waiting to be heard by the Senate Committee of the Whole, after being approved by the Senate Finance and Appropriations committees.

			100 Boulder County schools. Beginning in 2013, the SCFD board of directors conducted a robust public engagement process, during which it adopted significant funding and programming enhancements to improve the effectiveness of the SCFD tax and fairly balance the needs of all Tier I, II, and III organizations. In addition, with direct stakeholder assistance, the board developed and then adopted a tax reauthorization proposal. Boulder County strongly supports this proposal, and urges the Colorado General Assembly to place it before metro region voters in 2016.		
3	Clarify state tax exemptions for affordable housing	Support legislation to reinstate state tax exemptions for housing authority projects.	Under 2000 legislation, the sales and use tax exemptions that existed in statute for non-commercial, low-income housing projects constructed by local housing authorities was expanded to also include entities that included housing authorities as a partner. Beginning in 2014, the Department of Revenue began reinterpreting the 2000 statutory language to exclude associated entities from receiving the tax exemptions. HB 1006 aims to clear up the statutory language from 2000 and return application of the tax exemptions back to the practice as implemented between 2000-2014.	No	HB 16-1006, Clarify Tax Exemptions for Housing Authorities, was introduced on January 13. It will be heard by the House Finance Committee on Wed., Feb. 17.
4	CDOT designation of shoulder use by buses	Support legislation to allow RTD buses to travel on the shoulders of U.S. 36 under specific conditions.	HB 16-1008 will amend the restrictions for vehicles to drive on roadways laned for traffic to allow CDOT, after consulting with the Colorado State Patrol, to designate certain highway shoulders open for bus travel under specific conditions. This legislation is important to ensuring timely operation of the U.S. 36 bus rapid transit.	No	HB 16-1008, Roadway Shoulder Access for Buses, was introduced on January 13. The bill has passed the House, and will be heard in the Senate Transportatio n Committee on Feb. 18.

Draft 2016-9-21

This document does not yet reflect review by the local governments that are CC4CA members. For internal information for now, items marked with an asterisk are those that got three or more votes at the CC4CA retreat on August 31 when representatives of each member jurisdiction voted for no more than 5 items they thought should be among CC4CA's top priorities for 2016-2017. The number of votes an item received, if any, also is indicated. (The indication of which items are top priorities likely will be presented differently and the number of votes received will be eliminated in a subsequent document for the public.)

CC4CA Statement of 2016-2017 Policy Priorities

The following are the policies that Colorado Communities for Climate Action will advocate for in 2016 and 2017. They are the immediate steps that CC4CA believes should be taken at the state and federal levels, often in partnership with local governments, to enable Colorado and its communities to protect the state's climate for current and future generations.

CC4CA:

General Statements of Principle

1. Supports state and federal government collaboration with Colorado's local governments to advance local climate protection action through the provision of information, technical assistance, funding, and other resources.

2. Supports continued and adequate state and federal funding of programs directly and indirectly related to achieving reductions in heat-trapping emissions.

3. Supports analyses, financial incentives, and enabling policies for the development and deployment of clean energy technologies. *[1 vote as a top priority]*

4. Supports state and federal impact assistance programs, requested by affected communities, that are impacted by the reduced use of fossil fuels for power production.

Local Climate Programs

5. Supports state-level actions to remove barriers and promote opportunities that allow counties and statutory cities and towns to maximize the deployment of local clean energy options.

The deployment of local energy generation and technology will continue to be a critical component of Colorado communities' climate efforts. In many cases, regulatory or legislative limitations exist that will need to be removed for communities to fully explore new local program options and technologies that can effectively reduce fossil fuel use, increase energy resilience, and support community values related to climate change mitigation. For example, the

integration of local renewable energy, storage technologies, and microgrids all support a local jurisdiction's ability to address the supply side of energy-related emissions.

6. Supports state government actions to enable local governments to obtain the energy use and other data they need to effectively address climate change.

Local governments need convenient and consistent access to data that is essential for developing and administering local programs that address clean and efficient energy and reductions in heat-trapping emissions. For example, access to uniform data from electric and gas utilities is critical for implementing building energy use disclosure and benchmarking programs designed to make sure building owners, tenants, and others can be fully informed about energy performance. Local governments also struggle to get consistent data regarding waste collection and disposal, oil and gas operations, and other sources of heat-trapping emissions. CC4CA supports state government actions and policies that lead to uniform systems for collection and distribution of data from investor-owned and public utilities that is easily accessible to local governments, while still protective of data privacy for residents and businesses.

State and Federal Climate Programs in General

*** 7. Supports the establishment by the Colorado state government of new goals for reductions in statewide heat-trapping emissions, to be no less stringent than adopted national goals and those set by Governor Bill Ritter, Jr.** *[9 votes]*

In 2007, Governor Bill Ritter, Jr. included in his Colorado Climate Action Plan goals for reductions in statewide heat-trapping emissions of 20 percent by 2020 and 80 percent by 2050, compared to 2005 levels. In 2008, Governor Ritter also included these goals in Executive Order D 004 08. While that executive order has not been amended or superseded, and so remains official state policy, the goals are not being given the attention necessary to drive action aimed at achieving them. CC4CA supports the establishment of new state goals to guide state emissions reduction policies, with the new goals to be at least as strict as those established by Governor Ritter and as those set by the federal government as a national target in its official submission to the United Nations under the Paris Agreement, which are to reduce national net heat-trapping emissions by 26-28% below 2005 levels by 2025, and to make best efforts to reduce them by 28%.

*** 8. Supports development by the Colorado state government of administrative, legislative, and other actions to implement the Colorado Climate Plan and achieve the state's emission reduction goals, and requests an opportunity for meaningful, sustained engagement by CC4CA in developing those specific steps.** *[4 votes]*

Released in 2015 by Colorado Governor John Hickenlooper, the Colorado Climate Plan is a high-level overview document of state actions for adapting to future climate change impacts and reducing heat-trapping emissions. The governor and other state officials are now considering a new series of steps to develop concrete policy actions to meet the general goals described in the plan. CC4CA believes it essential that the state government provide an opportunity for meaningful, sustained collaboration with local governments in developing specific climate actions, and proposes that representatives of CC4CA be included in that process.

9. Supports the development of a new forecast of future heat-trapping emissions reflecting Colorado laws and Colorado-specific information by the Colorado Department of Public Health and Environment, with input from local government and other stakeholders.

The "Colorado Greenhouse Gas Inventory—2014 Update Including Projections to 2020 & 2030," prepared by the Colorado Department of Public Health and Environment (CDPHE), includes a forecast of statewide emissions that utilizes federal Environmental Protection Agency nationwide assumptions about future emissions policies. As such, the inventory does not reflect currently adopted Colorado laws and policies, such as our Renewable Energy Standard. Without this information, it is impossible to tell what progress Colorado is already on track to make – or not make – in reducing heat-trapping emissions. CC4CA supports development of a new Colorado inventory of heat-trapping emissions that incorporates existing Colorado law and policy in order to more accurately track the state's progress in achieving its emissions reduction goals.

Electricity Generation

*** 10. Supports state government actions to reduce emissions from electricity generation and consumption in Colorado at least equivalent to the levels required by the U.S. Environmental Protection Agency's Clean Power Plan.** *[8 votes]*

Under Governor Hickenlooper's leadership, Colorado state government has consistently stated that it will develop a rule to comply with EPA's Clean Power Plan (CPP), and has reiterated its intent to proceed even in light of the current judicial stay on the federal rule. Governor Hickenlooper and other state officials are now considering the best way to proceed, without delay, in the development of state actions that would bring about reductions in heat-trapping emissions that may exceed the level that would be required by the CPP. CC4CA supports the state government moving forward in this way, without waiting for resolution of the legal challenges currently pending to the federal rule.

*** 11. Supports state legislation to incrementally increase the Renewable Energy Standard**. *[7 votes]*

Colorado's current Renewable Energy Standard requires electricity providers to obtain a minimum percentage of their power from renewable energy sources:

- Investor-owned utilities: 30% by 2020, of which 3% must come from distributed energy resources.
- Large rural electric cooperatives: 20% by 2020.
- Municipal utilities and small rural electric cooperatives: 10% by 2020.

This standard has been one of the most effective state policies in facilitating the transition from carbon intensive fossil fuel electricity sources to renewable sources, and CC4CA supports giving consideration to incrementally increasing the standard for all three types of utilities.

12. Supports state legislation to require the Public Utilities Commission to consider all environmental and health costs of the fuels used by investor-owned utilities to generate electricity. *[1 vote]*

Electric utilities should be required to include a “cost of carbon” when developing their long-term integrated resource plans, as would have been required under a bill considered in the 2016 session of the Colorado General Assembly. The "social cost of carbon" calculates the financial costs of the externalities generated by one ton of carbon dioxide emissions and can be used to assess the costs and benefits of regulations or measures designed to reduce carbon dioxide. By requiring utilities to generate at least one scenario that assesses and recognizes the social cost of carbon, ratepayers and decision-makers will be better able to understand the true costs to society associated with energy generation.

13. Supports state net metering policies that incentivize distributed generation installations, in ways that are consistent with current net metering policies. *[1 vote]*

Net metering is important to utility customers who invest in distributed energy technologies because it plays an integral role in their ability to earn a return on their investment. Colorado’s net metering policies ensure that electricity customers who make such investments, primarily in the form of rooftop solar systems, receive the full customer retail rate for the clean power that they send back to the electric grid. Available in 43 states, this simple billing arrangement is one of the most important policies for encouraging rooftop solar and other on-site clean energy options. Net metering also helps foster the voluntary reduction of greenhouse gas emissions, contributes to the reliability of the electricity supply and distribution systems, supports the residential and small-commercial renewable energy industry, and helps to more quickly replace coal-fired power plants with cleaner sources of energy. CC4CA supports Colorado’s existing net-metering protocols, and opposes efforts to weaken or eliminate this important clean energy incentive.

Energy Efficiency

*** 14. Supports ongoing and sustainable funding for the Weatherization Assistance Program.** *[6 votes]*

Low-income and vulnerable households spend a disproportionately large percentage of their income on energy utility bills. The federal Weatherization Assistance Program (WAP) was created in 1976 to address this problem. WAP provides funding to locally-administered home weatherization programs to provide free weatherization services to Colorado’s low-income residents in order to improve the energy efficiency of their homes. Colorado supplements its annual federal WAP allocation with state severance tax dollars, both of which can be volatile sources of revenue. A stable revenue stream for Colorado’s eight WAP programs would support the dual goals of assisting families in reducing their energy bills while promoting safe, comfortable, and energy-efficient housing.

*** 15. Supports state enabling legislation to provide counties and statutory cities and towns with the same authority held by home rule cities to implement local energy conservation policies and programs.** *[4 votes]*

Unlike their home rule municipal peers, Colorado counties and statutory cities and towns in many cases lack authority to adopt and implement energy conservation policies and programs. For example, energy conservation ordinances are proven policy tools for improving the energy efficiency and performance of the existing residential and commercial building stock, but only Colorado home rule cities have statutory authorization to enact such ordinances. Enabling legislation is needed to provide Colorado's counties and statutory cities and towns with the authority necessary to enact policies and programs that can support and promote energy conservation within their jurisdictions.

16. Supports the extension of the Colorado Energy Efficiency Resource Standard law beyond 2018. *[1 vote]*

The Colorado legislature enacted H.B. 1037 in 2007, requiring the Colorado Public Utilities Commission to establish energy savings goals for investor-owned electric and gas utilities. The statute sets an overall multi-year statewide goal for investor-owned electric utilities of at least five percent of the utility's retail sales in the base year (2006), to be met by the end of 2018. Legislation is needed to provide standards for subsequent years. As investor-owned utilities have achieved greater energy savings than the current goals require, new legislative benchmarks for the goals may be appropriate.

Transportation and Land Use

*** 17. Supports an extension of existing state enabling legislation that provides authority for Regional Transportation Authorities to collect property taxes for transit programs.** *[7 votes]*

The formation of Regional Transportation Authorities (RTAs) is enabled by state statute. RTAs are formed by two or more local governments to finance, construct, operate, and maintain regional transportation systems. Under the current state enabling legislation, RTAs are authorized to derive funding from several types of fees and taxes, subject to voter approval. The authority RTAs currently hold to collect a property tax up to a maximum levy of five mills on property within the RTA territory expires at the end of 2018. CC4CA supports extending this authority for RTAs to collect property taxes for regional transit programs.

*** 18. Supports new state government incentives for the purchase and use of zero emission vehicles, and the development of the infrastructure needed to support the use of those vehicles across Colorado.** *[4 votes]*

According to the Colorado Department of Public Health and Environment's 2014 inventory and forecast of heat-trapping emissions, the transportation sector is Colorado's second largest source of heat-trapping pollutants. Colorado's recent population growth has led to a commensurate increase in vehicle miles traveled, which has overtaken the emissions reductions made possible through the increasing fuel efficiency of the statewide vehicle fleet. Electrification of light and heavy duty vehicles, as well as other emerging zero-emissions technologies, holds perhaps the greatest promise for emissions reductions in this sector. CC4CA supports legislative, regulatory, and administrative action to increase the adoption of electric vehicles by investing in electric vehicle charging stations, educating customers about EVs, and providing customer incentives. CC4CA also supports committing a portion of Colorado's share of the

Volkswagen emissions control violations settlement to the construction of electric vehicle charging infrastructure across Colorado, an expressly approved use of these funds.

Waste Management

*** 19. Supports the establishment of a statewide target for diversion of solid waste from landfills, and the development and implementation of state policies and programs to achieve that target.** *[3 votes]*

Recycling and composting reduce carbon dioxide and methane emissions, but Colorado has a low waste diversion rate (the combination of recycling and organics diversion as a proportion of the solid waste stream) of 23 percent compared with the national average of 35 percent. According to the Colorado Department of Public Health and Environment's draft Integrated Solid Waste & Materials Management Plan (2016), in Colorado approximately 30 percent of the total materials currently sent to landfills are recyclable (with an annualized value of about $267 million), and another 30 percent is organic material. The CDPHE draft plan notes that while there is widespread support for a statewide diversion target among the stakeholders engaged in drafting the plan, CDPHE's legislatively-granted waste management authorities lie almost entirely within the landfill disposal category, so the agency has little authority over diversion policies. It also notes the wide disparity of challenges and gaps among regions of the state, with large areas of the state facing barriers such as transportation logistics, lack of processing facilities, and other costs. CC4CA recommends legislation that sets a statewide diversion goal and that grants CDPHE the authorities needed to administer diversion programs, including but not limited to economic and technical assistance for local and regional waste diversion programs and facilities. CC4CA also supports consideration of statewide bans of specific materials from landfills, such as the ban on electronic devices passed in 2013, and advanced disposal fee policies for certain products, such as those already enacted for paints and waste tires.

POLICY AGENDA

US36 Mayors and Commissioner Coalition
36 Commuting Solutions

Approved on Thursday, September 8, 2016

The U.S. 36 Mayors and Commissioners ("MCC") supports federal, state and regional policy that is consistent with the positions identified in this Policy Agenda. These positions are mostly informed by the 2014 consensus achieved during the Northwest Area Mobility Study (NAMS) which was considered a realistic and equitable approach to furthering the will of the voters that in 2004 approved the FasTracks ballot measure. The agreement was captured in an April 7, 2014 "NAMS Local Stakeholder Consensus Document" (**Attachment A**) which should be read in conjunction with this Policy Agenda in order to understand the specifics on funding sources, projects and the timing and order of priority in which they are each supported.

The Policy Agenda provides representatives of the MCC with the authority to advocate on behalf of the coalition for the stated positions as opportunities arise be they before legislative, regulatory or administrative bodies and individual leaders. Any potentially controversial or high-profile policy communication made on behalf of the MCC should receive prior-approval from the full MCC, when possible. Regardless, all such communications should subsequently be brought to the attention of the full MCC at the earliest opportunity.

The Policy Agenda is approved by each of the individual governing bodies of the members that make up the MCC. It may be revisited and revised at any time to reflect changing circumstances or to provide specific interpretation of these positions as they apply to any one policy question.

- **Arterial Bus Rapid Transit (BRT)/ Enhanced Bus Service Projects -** Seek non-FasTracks funding and support for capital and operating improvements necessary to implement an arterial BRT/Enhanced Bus Service network, including supportive multimodal system enhancements. State Highway 119 from Longmont to Boulder is the highest priority arterial BRT corridor. The remaining corridors, listed below, should be implemented based on further refinement of regional priorities, project scopes funding availability and leveraging opportunities:
    - State Highway 7 connecting North I-25/North Metro Park–n-Ride/Northglenn, Broomfield, Erie, Lafayette and Boulder
    - State Highway 287 connecting Longmont, Lafayette, Erie and Broomfield to the US 36 Corridor
    - South Boulder Road connecting Lafayette and Louisville to Boulder
    - 28th Street/Broadway (connecting US 36 BRT and South Boulder Road BRT to Boulder Junction/14th & Walnut)
    - Improved transit connection from Louisville/Lafayette/Superior/Broomfield to US 36 via SH 42/95th Street
    - 120th Avenue between Broomfield Park-n-Ride and Adams County Government Center

POLICY AGENDA

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- **Northwest Rail** – Support full completion of the Northwest Commuter Rail Project to Longmont.
    - Support creative and alternative rail implementation strategies (including level of service phasing) as circumstances effecting feasibility, such as change in BNSF position, costs, ridership, and funding sources, evolve.

- **I-25 Bi-Directional Managed Lanes -** Seek funding and support for the construction of additional managed lanes between US 36 and downtown Denver to facilitate bi-directional service to benefit the broader region (both North I-25 and US36 connections to/from Denver) and interim measures, including bus on shoulder service.

- **Managed Lanes** – Support managed lanes as a practical solution for improving mobility by providing viable travel options in congested corridors. Managed lanes should result in regulation of demand to ensure choices for the traveler beyond the single occupancy vehicle by providing for the option of travel by bus and free or discounted access to high occupancy vehicles ("HOVs"), as well as allow pricing to help manage corridor performance, such as dynamic, variable-priced tolls linked to congestion.

    - Support the free-flowing operation of managed lanes while opposing the imposition of arbitrary deadlines for converting from HOV-2 to HOV-3 not tied to either protecting performance of these lanes or to previously-executed agreements.

    - Support funding for education and incentives to promote full utilization of the HOV lanes.

    - Support increased transparency and public involvement in decisions to create future managed lanes, especially those involving private partners.

    - As a general policy, support requirement that any significant new highway (freeway/expressway) lane-capacity (public or private) built with state or federal funds be required to be managed (priced/tolled) to maximize the person-carrying capacity of the facility and to encourage free HOV and transit usage unless reasonable exceptions apply.

- **Rail/Transit Stations –** Support funding and implementation of station investments and First and Final Mile infrastructure and programs that serve both BRT and future rail.

- **Railroad Crossing Quiet Zones** – Support flexibility in, and funding for implementation of, quiet zones along the length of the Northwest Corridor, with a priority on crossings that benefit the greatest number of residents in the most cost effective manner.

POLICY AGENDA

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- **Transportation Funding** – Support state or regional transportation funding that includes a commitment for a substantial percentage of multimodal (i.e., transit, bicycle and pedestrian) investment (e.g., MCC supported MPACT 64's previous proposal to allocate 33 percent of new statewide transportation funding for transit purposes).
    - Support new bonding or other borrowing for transportation projects only if there are new or existing designated sources of funding identified to pay off those obligations.
- **US 36 Bus Rapid Transit System** – Seek funding and support for the full implementation of the US 36 BRT system as committed to in the 2004 FasTracks ballot measure, the US 36 Environmental Impact Statement and Record of Decision, the TIGER and TIFIA funding applications and additional elements approved by the RTD Board on September 17, 2013, including relocation of the Church Ranch boarding platforms, improvements to the Westminster Center pedestrian bridge and structured parking in Broomfield.
    - Support Flatiron Flyer BRT service improvements and station area enhancements to more fully serve existing and new Transit Oriented Development in each of the US36 MCC communities.
    - Seek funding for implementation of the US 36 First and Final Mile study recommendations that provide a tangible benefit to residents, employees and commuters in the corridor.
    - Support RTD authority to authorize bus-on-shoulder use on limited corridors to expedite local bus service.

NAMS LOCAL STAKEHOLDER CONSENSUS DOCUMENT

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April 7, 2014

The local stakeholders thank RTD and our other regional partners for working with us through Northwest Area Mobility Study (NAMS) on this challenging consensus process. Collectively, we believe that the priorities reached through this consensus approach are realistic and equitable, while respecting the will of the voters in 2004.

Local stakeholders actively participating in the NAMS have spent significant effort working together to develop a path forward on transit investments in the Northwest Corridor. Following much discussion, debate and deliberation we have come to a consensus predicated on the information received to date through the NAMS that regional transit operating and infrastructure improvements in the Northwest region should include the following elements.

- **Completion of the US 36 Bus Rapid Transit (BRT) System:** Completion of the US 36 BRT system as committed in the 2004 FasTracks, US 36 Environmental Impact Statement and Record of Decision, TIGER and TIFIA funding applications and additional elements approved by the RTD Board on September 17, 2013, including relocation of the Church Ranch boarding platforms, improvements to the Westminster Center pedestrian bridge and structured parking in Broomfield. Local stakeholders also support implementation of the US 36First and Final Mile study recommendations that provide a tangible benefit to residents, employees and commuters in the corridor. In order to leverage these capital improvements and show a true net FasTracks benefit to the corridor, service enhancements and a robust operating plan that includes increased bus frequencies must be implemented.

- **Arterial BRT/ Enhanced Bus Service Projects:** Arterial BRT/Enhanced Bus Service system capital and operating improvements should be implemented as soon as feasible. No FasTracks funds should be utilized for these arterial BRT investments.

  - State Highway 119 from Longmont to Boulder is the highest priority arterial BRT corridor.

  - The remaining corridors should be implemented based on further refinement of regional priorities, project scopes funding availability and leveraging opportunities.

  - State Highway 7 connecting North I-25/North Metro Park–n-Ride/Northglenn, Broomfield, Erie, Lafayette and Boulder

  - State Highway 287 connecting Longmont, Lafayette and Broomfield to the US 36 Corridor

  - South Boulder Road connecting Lafayette and Louisville to Boulder

  - 28th Street/Broadway (connecting US 36 BRT and South Boulder Road BRT to Boulder Junction/14th & Walnut)

  - Improved transit connection from Louisville/Lafayette/Superior/Broomfield to US 36 via SH 42/95th Street.

  - 120th Avenue between Broomfield Park-n-Ride and Adams County Government Center

- **I-25 Bi-Directional Managed Lanes**: Construction of two additional managed lanes between US 36 and downtown Denver to facilitate bi-directional service that will benefit the broader region (both North I-25 and US36 connections to Denver). Identified interim measures should be implemented as quickly as possible, including bus on shoulder service and downtown Denver circulation improvements, with long term measures to follow.

- **Railroad crossing quiet zones** should be implemented along the length of the Northwest Corridor, with a priority on crossings that benefit the greatest number of residents in the most cost effective manner.

- **Early Action Rail/Transit Stations:** Station investments and US 36 First and Final Mile infrastructure and programs that serve both BRT and future rail should be implemented. $17 million has already been identified from EAGLE P3 savings for the Downtown Longmont station that will serve both BRT and future rail. Similar investments should be made at other stations that will serve both future rail and BRT/Enhanced Bus Service such as Boulder Transit Village, Gunbarrel, East Arapahoe, Downtown Louisville, Broomfield at Flatirons Crossing and 116th, and Westminster at 104th/Church Ranch and at 88th Avenue.

- **Northwest Rail**: The local stakeholders recognize the commitment made to voters in the 2004 FasTracks election and the ongoing public expectation that rail will be built in the corridor from FasTracks revenue. Local stakeholders support full completion of the Northwest Commuter Rail Project to Longmont. Considering costs, lack of revenues, ridership projections, uncertainty with Burlington Northern Santa Fe (BNSF) and other challenges, completion of Northwest Rail is a longer term goal. Local stakeholders support periodically exploring creative and alternative rail implementation strategies (including phasing) as circumstances effecting feasibility, such as change in BNSF position, costs, ridership, and funding sources, evolve.

Re-evaluation of Priorities: We believe that the public expects and deserves visible cost effective mobility improvements in the short term that form the foundation of our long term transportation system while honoring the vision of rail connecting the corridor communities to each other and the Denver region expressed in the 2004 FasTracks plan approved by the voters.

To that end:

- We support regular monitoring of the factors influencing the costs, revenue and feasibility of the implementation options identified above, including phasing, and, should they significantly change, the reconsideration of investments priorities.

- We recognize that FasTracks funding should be targeted towards those Northwest corridor improvements identified in the FasTracks system approved by the voters in 2004. FasTracks funding should therefore be used to build and operate the US 36 BRT system as well as those improvements that are consistent with implementation of Northwest Rail from Westminster to Longmont and other, nonFasTracks funding sources should be targeted toward those improvements that are not consistent with the FasTracks plan.

- We also firmly believe that the RTD should focus any further FasTracks investments in the Northwest Corridor prior to using FasTracks funds for improvements, or equipment replacement, in any other corridor.

STUDY SESSION MEMORANDUM

TO: Mayor and Members of City Council

FROM: Jane S. Brautigam, City Manager
David Driskell, Executive Director of Planning, Housing and Sustainability
Susan Richstone, Deputy Director of Planning
Kurt Firnhaber, Deputy Director of Housing
Molly Winter, Director of Community Vitality
Lesli Ellis, Comprehensive Planning Manager
Jay Sugnet, Project Manager
Crystal Launder, Housing Planner
Eric M. Ameigh, Public Works Projects Coordinator

DATE: October 25, 2016

SUBJECT: Connections between Draft Middle Income Housing Strategy and 30th and Pearl Redevelopment Scenario Analysis

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On October 25, City Council will discuss two items: the Draft Middle Income Housing Strategy and the 30th and Pearl Redevelopment Scenario Analysis. These are separate items but overlap insofar as both seek to further the goal of developing "missing middle" housing in Boulder.

The draft middle income housing strategy is the result of a collaborative effort of the Middle Income Working Group, five members of City Council, and two Planning Board members. It proposes a new aspirational goal for middle income housing (3,500 middle income homes by 2030) to be achieved through a mix of policies and tools. Its goal is for new construction housing developments to provide housing units as follows:

- 20 percent permanently affordable to low-moderate income households, per existing Inclusionary Housing requirements;
- 10 percent middle income deed restricted;
- 50 percent "middle market," which are affordable to households earning up to 150% of the Area Median Income, but are not deed restricted in any way; and
- 20 percent market rate units that would be as expensive as the market would dictate.

The 30th and Pearl Redevelopment Scenario Analysis imagines potential redevelopment options for the city-owned site that meet existing policy goals, including ambitious housing goals. Accordingly, the analysis sought to achieve the aspirations of the draft middle income housing strategy on the city-owned site. The analysis concluded, however, that there are serious challenges to achieving the targets in the draft strategy.

The cost of development is high enough, relative to sales prices and rents in the market, that requirements for Inclusionary Housing and the provision of middle income units become potentially problematic for a project's finances. The testing of the draft strategy through the 30th and Pearl process does not indicate that the strategy should be abandoned. Instead, the testing is an important early step in refining the draft strategy so that the city can become more effective at designing policies and tools that will help meet goals for adding more "missing middle" housing.

The staff presentations will provide additional information on the work completed to date, as well as possible future efforts for the continued refinement of middle income housing approaches.

STUDY SESSION MEMORANDUM

TO: Mayor and Members of City Council

FROM: Jane S. Brautigam, City Manager
David Driskell, Executive Director of Planning, Housing and Sustainability
Susan Richstone, Deputy Director of Planning
Kurt Firnhaber, Deputy Director of Housing
Molly Winter, Director of Community Vitality
Eric M. Ameigh, Public Works Projects Coordinator

DATE: October 25, 2016

SUBJECT: 30th and Pearl Redevelopment Scenario Analysis

I. PURPOSE

The purpose of this study session is to solicit council feedback on a representative range of potential redevelopment options of the city-owned site at 30th and Pearl. Council's input and guidance on the preferred development direction will shape the next steps. Staff, in collaboration with consultants from Coburn Development, has prepared a collection of redevelopment scenarios which meet the city's goals for the site, but which also illustrate the extent to which a focus on any one specific goal can alter the development outcome.

The purpose of the study session is not to make final decisions on site redevelopment, including mix of uses and site design, but rather to provide parameters for a future request for proposals (RFP). The feedback provided by council will assist staff in crafting an eventual RFP for site redevelopment.

II. QUESTIONS FOR COUNCIL

1. Does council have questions about the potential redevelopment scenarios?
2. Does council agree with the analysis of pros and cons related to the scenarios?
3. Does council agree with the application of the draft middle income housing strategy to redevelopment of the site?
4. Does council agree with the recommended approach to a Preferred Alternative?

III. BACKGROUND

A comprehensive update on development activities in the Transit Village Area Plan (TVAP) was provided to council in October 2015. The memo, which can be found here, also includes an extensive background on the city-owned site and the area planning effort.

Transit Village Area Plan

The TVAP was adopted in September 2007 after a planning effort that began shortly after the acquisition of the Pollard Motor property in 2004. The plan outlines a set of goals and objectives for achieving a broad vision established for the 160-acre Transit Village Area, including the following main goals.

Goal 1: *Create a well-used and well-loved, pedestrian-oriented place that includes a* special character, a mix of retail and commercial uses, a significant amount of housing and engaging, convenient and safe pedestrian and bike connections.

Goal 2: *Support diversity through land use and travel options* that expand opportunities for employees and residents of differing incomes, ethnicities, ages and abilities by including a variety of housing types at a range of prices from market rate to affordable; services that support residents, adjacent neighbors and businesses; support for locally owned and minority-owned businesses in the area; public spaces to celebrate diverse ethnicity; space for nonprofit organizations; and affordable spaces for retail, office and service industrial uses.

Goal 3: *Enhance economic vitality:* Increase economic activity for businesses, increase revenues for the city of Boulder, reduce transportation costs by including neighborhood-serving retail uses and regional retail uses that complement the large investment of the Twenty Ninth Street project, and provide convenient and safe connections to downtown and to Twenty Ninth Street. Provide additional office uses in locations close to the future transit facilities and new residential areas. To enhance economic vitality, the city should develop a realistic economic development plan that includes implementation techniques for public/private partnerships.

Goal 4: *Connect to the natural and built environment:* Create a place that reflects Boulder's commitment to environmental sustainability and "green" development, is integrated with the natural features in the area, and connects to the larger city fabric. Include innovative "green" energy-efficient site planning, architecture and urban design. Develop an overall storm water management plan for the area in lieu of property-by-property storm water detention. Provide connections to existing natural amenities such as the Goose Creek greenway, the Boulder Slough (ditch) and Boulder Creek, and take advantage of views and view sheds from key locations.

Goal 5: *Maximize the community benefit of the transit investment:* Locate homes and employment to maximize access to local and regional bus service, future commuter rail and bus rapid transit, and to allow for a pedestrian-oriented lifestyle. Develop lively and engaging commuter rail and regional bus locations. Improve the balance of jobs and housing in the community through new mixed-use neighborhoods in areas close to multiple transit facilities. Develop and adopt managed parking strategies; reduced parking requirements in the hub; and

transportation demand management strategies. Encourage multimodal access and mobility within the area and to the rest of Boulder.

Goal 6: *Create a plan that will adapt to and be resilient for Boulder's long-term future:* the plan builds in flexibility, allowing for serendipity and changes in use over time and provides for increased density in targeted locations.

City-owned Site at 30th and Pearl streets

In 2004, the city purchased eight acres on the west portion of the Pollard Motor site for mixed-use development, and RTD purchased 3.2 acres on the east portion for a transit facility. As part of the purchase agreement, Pollard Motor retained a lease to occupy the western 5.5 acres of the site through 2016. The site was acquired for $9.5 million and funded through the following sources:

1. $2.5 million in funding from RTD;
2. $2.1 million in Community Housing Assistance Program (CHAP) funds;
3. $2.4 million borrowed through a Fannie Mae line of credit established with council approval and repaid with the city's local affordable housing funds; and
4. $2.5 million financed by Pollard (terms: 6.5 percent interest with monthly payments)

The city's goals when it purchased its portion of the site were to:

- advance Boulder's long-range vision for a TOD that maximizes public investment in multimodal transportation, infrastructure improvements and affordable housing;
- create a mixed-use development with predominantly residential uses and some supporting commercial uses as determined by a future market study;
- create a range of housing types;
- create a substantial amount (up to 50 percent) of permanently affordable housing, with the remaining 50 percent of the housing sold or rented at market rates; and
- create a mix of ownership and rental housing at a range of 220 to 300 units.

Chapter 3 of the TVAP, titled "Urban Design," envisions that the city-owned site will be used to create a new transit-oriented, mixed-use neighborhood that is predominantly residential, with some retail and office space. Located in the Pearl Street Center District of the planning area, it is envisioned as a high-intensity mix of housing and associated commercial uses, capitalizing on its central location and the regional bus facility. Up to half of the residential units on the city-owned site are envisioned as permanently affordable housing for low- to moderate-income, primarily workforce, households and/or targeted to hard-to-serve populations that would greatly benefit from proximity to transit, such as people with disabilities.

The city has leased 4.3 acres of the 5.45-acre property to Pollard Friendly Motor Company through Oct. 30, 2016. The original lease ran through Oct. 30, 2014, but Pollard exercised an option in the lease to extend to 2016 and also to purchase a portion of the city's Municipal Service Center as a site to relocate its business. Pollard is currently working to complete construction at its new location.

IV. ANALYSIS

The approach to the future development of the site has been to plan for an issuance of a request for proposals (RFP) closer to the time when the lease with Pollard Motors expires. Similar to the

successful process for developing Depot Square, a RFP is envisioned to be used for development of the site, which could include identified criteria for success to guide proposals while allowing a high level of creativity and a range of design solutions. The city may, at that time, provide the land at little or no cost in return for the delivery of specified community benefits as part of a comprehensive development proposal. Those benefits would include specific unit types and mix as well as income levels, but could also include other priorities.

Following a comprehensive update on TVAP implementation in October 2015 and workplan conversations in early 2016, council directed staff to study potential redevelopment options for the purposes of determining the parameters for an eventual RFP for site redevelopment. Consultant services for assistance with scenario planning were procured through a competitive qualifications-based process in the spring of 2016. Coburn Development of Boulder was selected to assist staff in developing representative scenarios that would help guide the discussion by illustrating opportunities, constraints, and the tradeoffs inherent in different choices.

Coburn and staff worked collaboratively throughout 2016 to build scenarios that would do the following:

1. Meet, to the greatest extent possible, the goals of TVAP as well as the site acquisition goals.

2. Comply with the recently adopted Form Based Code (FBC) for the site.

3. Take into account existing market conditions.

4. Maximize the value of the site where possible to facilitate achievement of policy goals.

The scenarios focused on development assumptions and rigorous testing. The foundation of the scenarios comes from a robust pro forma analysis which details the project's financials under different circumstances. ***Urban design and architecture were studied only so far as to test the physical viability of various use mixes and to ensure conformity with zoning and the FBC. This is illustrated at a high level through the use of bulk and massing diagrams. More detailed design work will take place through the eventual development and review processes once a development partner(s) has been determined.***

Analysis Assumptions and Constraints

In developing the scenarios, it is important to note that the city site is not a blank slate and not just anything can happen there. Its future is governed by a number of factors, including past policy decisions and market realities. The scenarios take these assumptions and constraints seriously.

<u>Policy and Planning History</u>

The city site, as detailed in the Background section, has an extensive planning history, including a longstanding focus on housing and affordable housing as an end use. The scenarios meet existing goals in different ways but all are more or less in alignment with TVAP goals and responsive to more recent developments such as the FBC pilot and the draft middle income housing strategy.

Regulatory

The goals of TVAP as they relate to use, urban design, and architecture are brought to life on the site partially through zoning and the FBC. Per TVAP, the site is planned for Mixed Use 2 where the predominant uses in mixed-use areas could be business or residential, with homes mixed vertically (above businesses) or horizontally (residential buildings next to commercial buildings.) Page 17 of TVAP notes that Mixed Use 2 areas allow "*three- to four-story mixed use buildings around a floor area ratio (FAR) of 1.5 to 2.0. Predominant use may be business or residential…..parking would be "mostly structure or first floor parking; may have some surface parking*." More specifically, the site is within a sub district of TVAP entitled the "Pearl Street Center District." The Pearl Street Center district is described as an area that will "*become a high-intensity mixture of housing and retail, capitalizing on its central location and the future regional bus facility."*

The site is zoned MU-4. MU-4 areas are described as mixed use residential areas generally intended for residential uses with neighborhood-serving retail and office uses, and where complementary uses may be allowed. The site is also subject to the FBC, which supplements, and in some cases supersedes, the underlying zoning. The FBC establishes building form and design requirements for development within the area. The requirements implement the desired development, including functional characteristics, form, and design character and quality, as guided by previous plans.

All scenarios have been designed to meet not only regulatory purposes and intent, but also the "letter of the law." At the level of design detail that has been offered through the scenarios, no deviations from the existing regulatory framework have been suggested.

Parking

The provision of parking has been assumed at a gross level for the purpose of building realistic scenarios. All scenarios include a mix of tuck under, on street parallel, and underground structured parking. Each scenario assumes approximately one parking spot per dwelling unit and one spot per 500 square feet of non-residential space. The assumed amount of on-site parking was driven by a variety of factors, including required development standards, marketability of housing units and retail space, and the existing capacity of the Boulder Junction Access District's (BJAD-P) parking facilities. The ownership and management of the parking, including the role of BJAD-P, would be determined later, during the redevelopment process.

Highest and Best Use

An analysis of real estate sales and lease rates in the area during the spring of 2016 revealed that residential uses are the most valuable, reflecting the high level of demand for housing units in Boulder. The ranges of property values, as measured in dollars per square foot, were as follows:

Use Category	$/Square Foot
Residential	$475-$529
Retail	$313-399
Office	$226-$288
Land	$46-$63

Supply of housing in Boulder seemingly cannot keep up with demand and prices continue to rise. Any land that can be used for residential uses is rising in value accordingly. This is not to say

that office or retail uses are not viable, but to the extent the city hopes to harness the maximum value of the city-owned site for the purposes of achieving TVAP goals, it is best to plan for a heavily residential use. And, it follows, the more housing that can be built, the more valuable the site will be.

The uncertainty of retail feasibility means that too much neighborhood-serving retail space can negatively impact overall project finances. As such, each of the four scenarios allows for neighborhood serving retail at the ground level along Pearl and 30th streets, as called for in the TVAP's Pearl Street Center District Guidelines, but limits the total square footage to approximately 21,500 square feet.

Middle Income Housing Strategy

The Middle Income Working Group has completed its draft strategy for addressing the challenges of creating and maintaining middle income housing. This strategy defines a middle income goal to replace the 6 percent loss of middle income housing over the past fifteen years – a goal to create and preserve 3,500 middle income housing types that will include 1,000 deed restricted homes.

To accomplish this goal in part, through new construction, an increased level of affordability would be required above the current 20 percent. New developments would maintain the current 20 percent affordability for low and moderate income households; however, up to 60 percent of new units would be targeted at middle incomes, earning from 80 to 150 percent of the Area Median Income (AMI). A portion of these middle income homes would be deed restricted for permanent affordability.

To achieve this goal, strong support will be required to implement four main tools:

1) *Land Use and Policies* that will create more moderately sized homes on land currently zoned industrial and residential.

2) *Middle Income Community Benefit Zoning* to establish incentive based re-zoning that encourages additional housing opportunities.

3) *Inclusionary Housing* policies to include a middle income tier.

4) *Annexations* that require a higher level of middle income community benefit.

The draft strategy, which is being presented along with this item, is aspirational in nature. The percentage targets described above are subject to additional analysis and refinement. In point of fact, the 30th and Pearl redevelopment scenario analysis has revealed some challenges with achieving the targets. Additional information can be found in the memo for the Middle Income Housing Strategy item.

That being said, the four scenarios have been designed, to the greatest extent possible within the assumptions and constraints, to attempt to conform with the draft strategy. Three of the four scenarios include a minimum of 20 percent permanently affordable units for low-moderate income households and 10 percent permanently affordable units for middle income households, which are the envisioned inclusionary requirements under the draft strategy.

Unmet Goals of TVAP

TVAP sets a number of targets for new housing units, affordable housing units, and non-residential space (tables below). Progress has been made toward the goals as Phase 1 redevelopment has occurred, but the minimum targets have not yet been reached. Likewise, the city site has its own specific goals which also contribute to meeting TVAP goals.

Housing Unit Counts and Affordable Housing

TVAP projects 1,400-2,400 new housing units, of which 300-475 would be permanently affordable. To date, redevelopment has resulted in just over 1,000 total units and only 181 affordable units.

TVAP Total Metrics	Units	Perm. Affordable		Market Afford.	Other Market	Ownership
		Middle	Low-Mod	Prices/rents not specified		
Projected to add	1400-2400	300-475 total		1100-1925 total		Not specified
Phase 1 to date	1028	0	181	741	106	133
Minimum Difference	372	119 total		N/A		N/A
City Site Metrics						
Projected to add	200-300	100-150 total		100-150 total		Not specified

Range of Prices

Housing goals in TVAP include a desire for a range of prices, from market to affordable, to meet diverse needs. The plan specifically references workforce housing, senior housing, family housing, and housing for special populations such as those with disabilities. The addition of more permanently affordable housing units, for both low to moderate (low-mod) and middle income households, would increase the range of prices available.

Variety of Housing Types and Tenure

TVAP envisions a variety of housing types and a mix of rental and ownership units to serve a diverse collection of households. To date, stacked flats have been the dominant housing type and 87 percent of units in Boulder Junction are rentals.

Non-Residential Space (Including Retail)

TVAP includes a goal to "Incorporate neighborhood serving retail uses, as well as regional retail uses that will complement Twenty Ninth Street." At the time the plan was completed, projections indicated potential demand for up to 10,000 square feet of neighborhood-serving retail. Small scale retail, while a critical component of vibrant neighborhood and street life, faces feasibility problems when there are too few people in close proximity to patronize the businesses.

TVAP Total Metrics	
	Non-Res. (sq. feet)
Projected to add	900K-1.4M
Phase 1 to date	650,000
Minimum Difference	250,000
City Site Metrics	
Projected to add	TVAP says TBD

The plan also suggested that the feasibility of larger-scale retail near Pearl & 30th streets would be investigated at a later date. Larger scale retail is also facing conditions different from those of the mid-2000s. Shifting consumer preferences and the rise of online shopping mean that retail

development is not a sure bet. Coburn's analysis of land values and lease rates in central Boulder indicate that retail is still a less valuable land use than residential in the neighborhood, reflecting different levels of demand for residential and retail space.

Urban Design and Neighborhood Character

The redevelopment of properties within the TVAP area is taking place according to the plan and the urban design improvements have been positive. The city-owned site will be expected to meet or exceed the standard set by recent redevelopment projects. To that end, the FBC pilot, born out of the Design Excellence initiative, will insure that the site reflects the high quality design and neighborhood character called for in TVAP.

Weighing Pros and Cons of Scenarios

Knowing which goals of TVAP remain unmet is helpful in determining the criteria for evaluation of the scenarios. The main purpose of developing and analyzing the various scenarios is to illustrate the different ways that the unmet goals can be met on the city-owned site. The weight given to different goals, however, can influence the development outcome, even though all scenarios might be minimally acceptable from a policy perspective. In fact, the scenarios all represent progress toward meeting outstanding TVAP goals, but they do so by each emphasizing the goals differently and thus revealing potential choices and tradeoffs.

In weighing the pros and cons of the scenarios, it is first important to note that certain attributes are the same across all of them. All scenarios are the same in the following ways:

1. Parking: All assume approximately one space per dwelling unit and one space per 500 square feet of non-residential space.

2. Use mix: All assume approximately 21,500 square feet of neighborhood-serving retail at ground level along 30th Street and Pearl Parkway, and adjacent to the Hyatt hotel, in line with TVAP and FBC. The vast majority of the site is dedicated to housing, including a large amount of affordable housing.

3. Site plan: The site plans for all scenarios are very similar, reflecting rigid adherence to the FBC.

What is more important for a meaningful analysis is the collection of ways in which the scenarios are different. They are different in the following ways:

1. Unit count: Different scenarios contain different numbers of total housing units.

2. Permanent affordability: The scenarios offer different numbers of permanently affordable housing units for low and moderate income households and middle income households.

3. Unit type variety: Some scenarios include only stacked flat units, while others offer a variety of stacked flats and lower density options such as townhomes.

4. Range of incomes served: All scenarios feature different combinations of low-mod affordable, middle income, and market rate units.

The differences between the scenarios are where the choices and potential tradeoffs can be found. Key questions upon which to judge the scenarios therefore include:

1. Because TVAP Phase 1 has not yet met its goals for total number of housing units, which scenario provides the most housing units?

2. Because TVAP Phase 1 has not yet met its goals for total number of permanently affordable housing units, which scenario offers the most permanent affordability?

3. Because TVAP Phase 1 has not yet met its goals for variety of housing types, which scenario adds the most unit type variety to the neighborhood?

4. Because TVAP is in need of more variety in rents and sales prices, which scenario offers the most price variety to the neighborhood?

Criteria for Evaluation - Does it meet TVAP Goals?				
Design Characteristics (i.e. meets FBC)	More units?	More Low-Mod Perm. Afford. units?	More unit type variety?	Range of incomes?

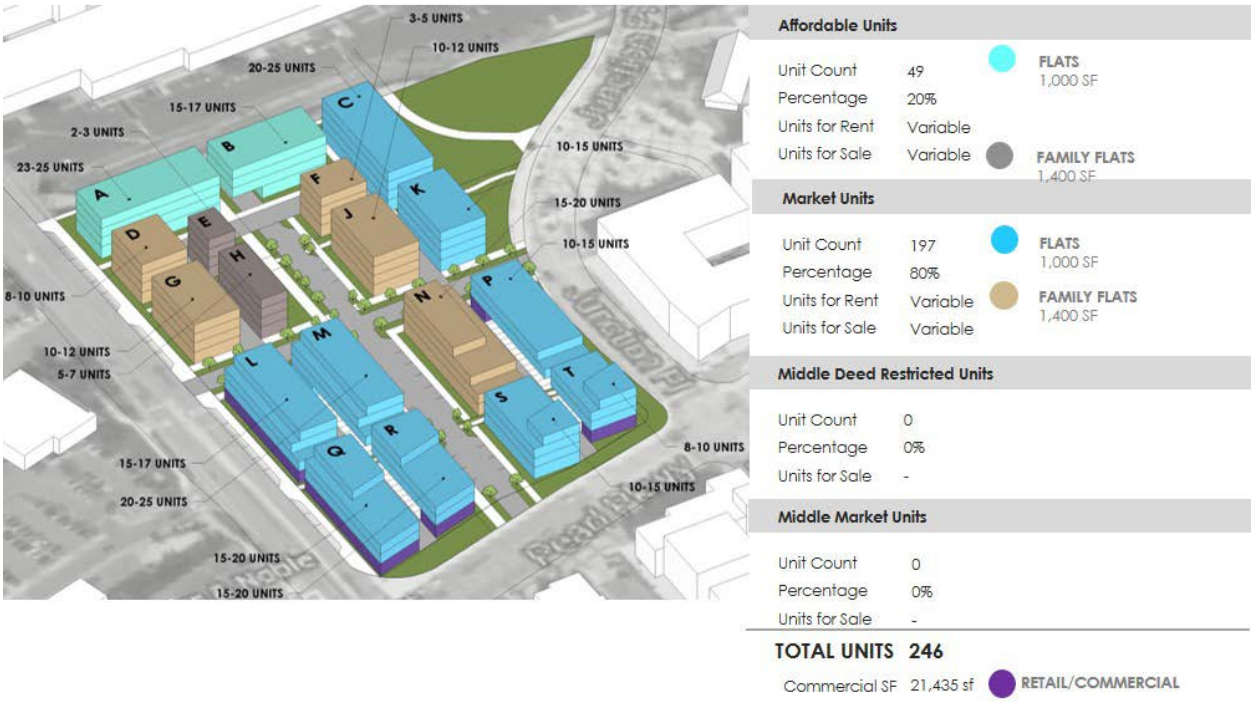
The Scenarios

Because the TVAP area has developed with 87 percent rental housing up to this point, the scenarios are weighted more heavily toward ownership units to improve the balance between rental and ownership. Stacked flats are the dominant type in all scenarios because they remain the most efficient way to build a large number of units in a constrained area. To decrease the number of flats substantially would mean to drastically reduce the number of units that could be built on the site.

The uncertainty of retail feasibility means that too much neighborhood-serving retail space can negatively impact overall project finances. As such, each of the four scenarios allows for neighborhood serving retail at the ground level along Pearl and 30th streets, as called for in the TVAP's Pearl Street Center District Guidelines, but limits the total square footage to approximately 21,500 square feet.

<u>Scenario 1: Sell property, maximize density, achieve 20% onsite affordable</u>

The first scenario features an outright sale of the property to a private residential developer with only one condition – that the inclusionary housing requirement is met on site. The scenario assumes the highest density possible, which produces 246 units. Twenty percent, or 49 units, would be on site permanently affordable units for low and moderate income households. The remaining 80 percent would be market rate units of unspecified tenure and type, determined by whatever is the most profitable for the developer. The sale price would be in the range of $13-15 million. This scenario illustrates how the city could achieve some measure of success in meeting TVAP goals while maximizing sale revenue, with the opportunity to invest that revenue elsewhere in support of the community's housing goals. (The unit sizes and locations on the site are for illustration purposes only.)



Scenario 1 Summary – Compared to Evaluation Criteria				
Meets FBC	**Units**	**Low-Mod Perm. Afford. Units**	**Unit Type Variety**	**Range of Incomes**
Yes	246	49	Unknown	20% Low-Mod Afford. 80% Market Rate

Pros:

- The scenario provides the maximum number of total units.
- It provides $13-15 million in revenue.

Cons

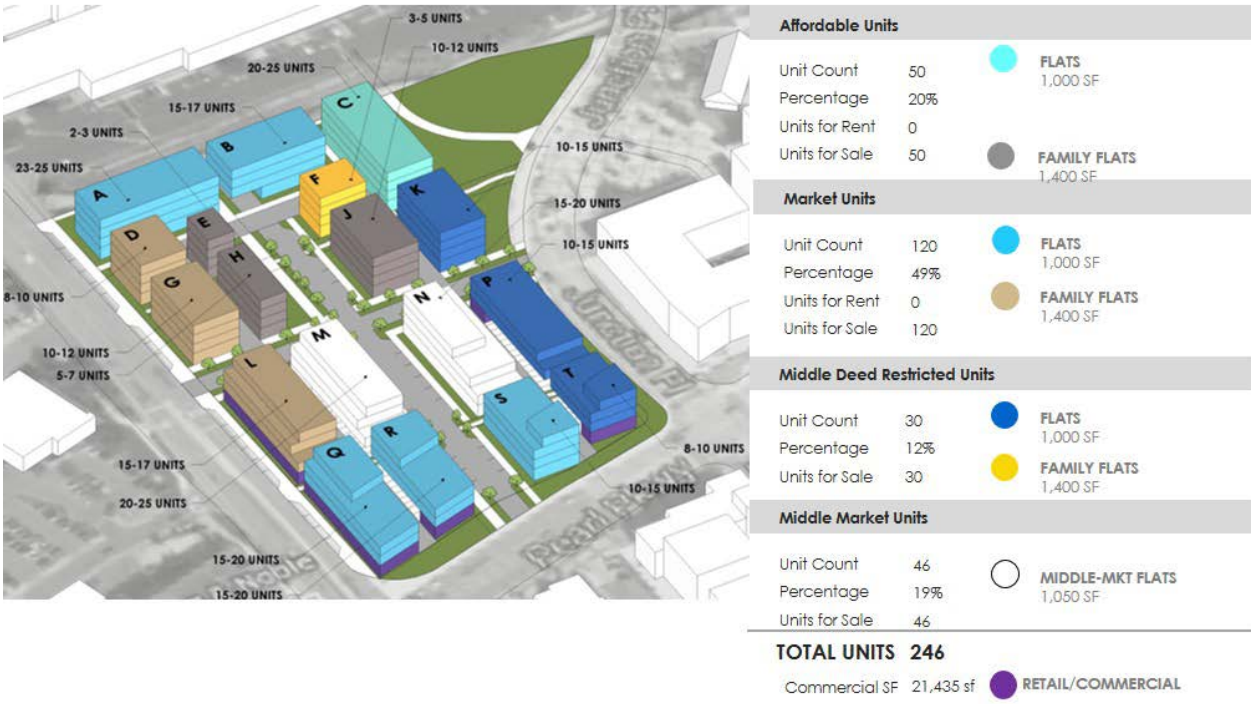
- The scenario would not provide a percentage of affordable units approaching 50 percent.
- The scenario does not provide enough affordable units to help meet the TVAP area goals for affordable housing units.
- The scenario does not attempt to meet the draft middle income housing strategy.
- The focus on maximizing revenue will mean allowing the eventual developer to build whatever type of housing is most valuable within the existing regulatory framework. If the city is interested in imposing conditions beyond meeting inclusionary housing on site, then it is highly likely the sale price of the property would not maintain its expected value.
- The scenario would fail to take advantage of a significant opportunity to create a substantial number of new affordable homes in the geographic center of the city. The original acquisition of the site and the adoption of the TVAP reflected a strong commitment to locating affordable housing on the site in order to meet longstanding social equity goals and to maximize the transit investment at Depot Square.

Scenario 2: Retain property, maximize density, achieve 32% onsite affordable plus 19% 'market rate middle income' units

The second scenario also provides for 246 housing units, all in stacked flats. However, 22 percent of the flats are larger units at 1,400 square feet, able to accommodate families or other larger households. In this scenario, 20 percent of units are permanently affordable to low to moderate income households, 12 percent are deed restricted middle income units, and 19 percent are middle income market affordable, or "middle market" units.

Per the draft middle income housing strategy, middle market units are those that are affordable to households earning up to 150 percent of the area median income but are not deed restricted. Instead of deed restricting the units, they are allowed to appreciate but will likely always be affordable in relative terms due to smaller unit size, less desirable finishes, or other value limiting factors. In this scenario, and others, the middle market units are sized at 1,050 square feet.

In Scenario 2, the land will be contributed by the city.



Scenario 2 Summary – Compared to Evaluation Criteria				
Meets FBC	**Units**	**Low-Mod Perm. Afford. Units**	**Unit Type Variety**	**Range of Incomes**
Yes	246	50	22% Large Flats 100% Ownership	20% Low-Mod Affordable 12% Mid. Inc. Deed Restricted 19% Mid. Inc. Market Affordable 49% Market Rate

Pros:

- The scenario provides the maximum number of total units.
- It provides housing affordable to a broad range of incomes.
- Although only 32 percent of units are permanently affordable, an additional 19 percent are affordable to the middle market.
- One hundred percent of the units are for sale.

- The scenario offers 12 percent of the units as middle income deed restricted units.
- Twenty-two percent of the units are larger flats (1,400 square feet) that can accommodate families or larger households for whom very little housing has been provided in the TVAP area. 40% of the larger flats are permanently affordable to low-moderate or middle income households.

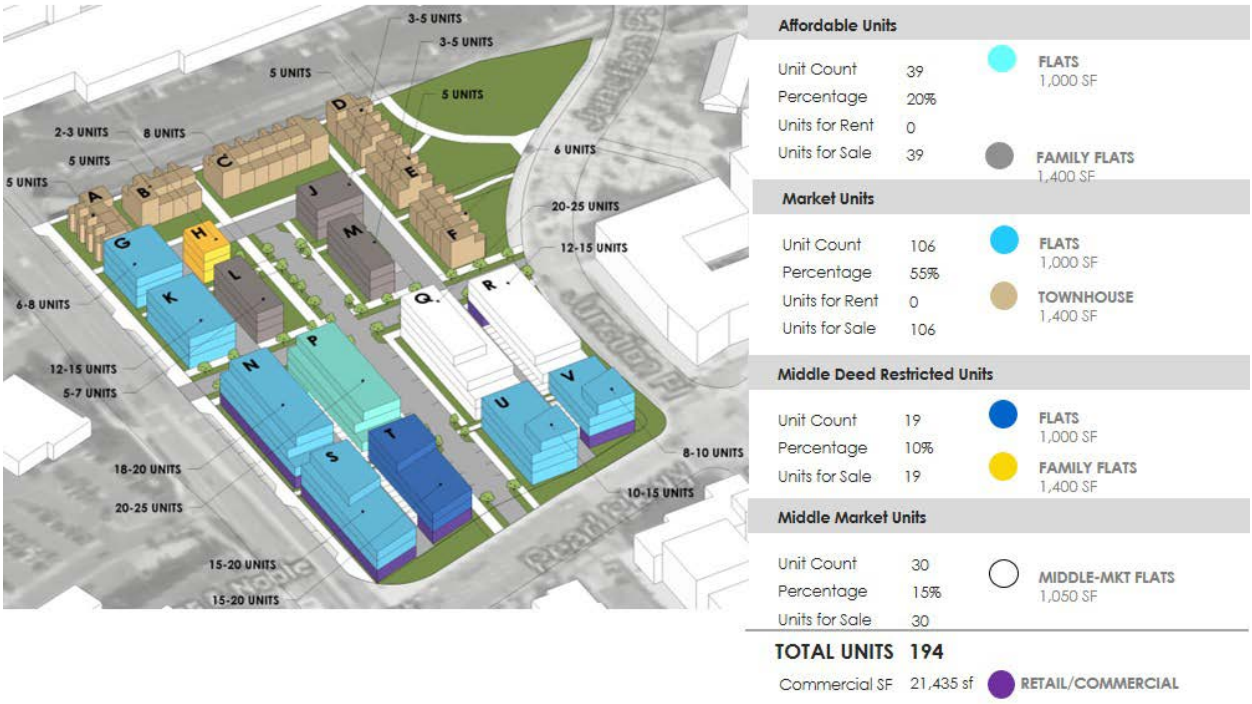
Cons:

- The scenario only creates permanent affordability for 32 percent of the units.
- The housing units are all stacked flats, which is already the dominant housing type in the area. Goals for variety in housing types is not achieved.

<u>Scenario 3: Similar to Scenario 2, but with 24% of units being family-oriented townhomes (fewer units overall, with 30% onsite affordable and 15% 'market rate middle income')</u>
The third scenario has fewer units, at a total of 194. The scenario introduces a lower density housing type fronting on Goose Creek and the pocket park. For the purposes of this discussion, they are referred to as townhomes, but they could be rowhomes, courtyard housing, or another type. Twenty-four percent of units in this scenario are townhomes.

In this scenario, 20 percent of units are permanently affordable to low to moderate income households, 10 percent are deed restricted middle income units, and 15 percent are middle income market affordable, or "middle market" units.

In Scenario 3, the land will be contributed by the city.



Scenario 3 Summary – Compared to Evaluation Criteria				
Meets FBC	**Units**	**Low-Mod Perm. Afford. Units**	**Unit Type Variety**	**Range of Incomes**
Yes	194	39	24% Townhomes 100% Ownership	20% Low-Mod Affordable 10% Mid. Inc. Deed Restricted 15% Mid. Inc. Market Affordable 55% Market Rate

Pros:

- The scenario provides a type of housing that has not recently been built in the area and which may be more appropriate for families or larger households. Thirty-eight percent of those units are permanently affordable to low-moderate or middle income households.
- It provides housing affordable to a broad range of incomes.
- Although only 30 percent of units are permanently affordable, an additional 15 percent are affordable to the middle market.
- 100 percent of the units are for sale.

Cons:

- The scenario only creates permanent affordability for 30 percent of the units.
- It does not maximize the number of units on the site.

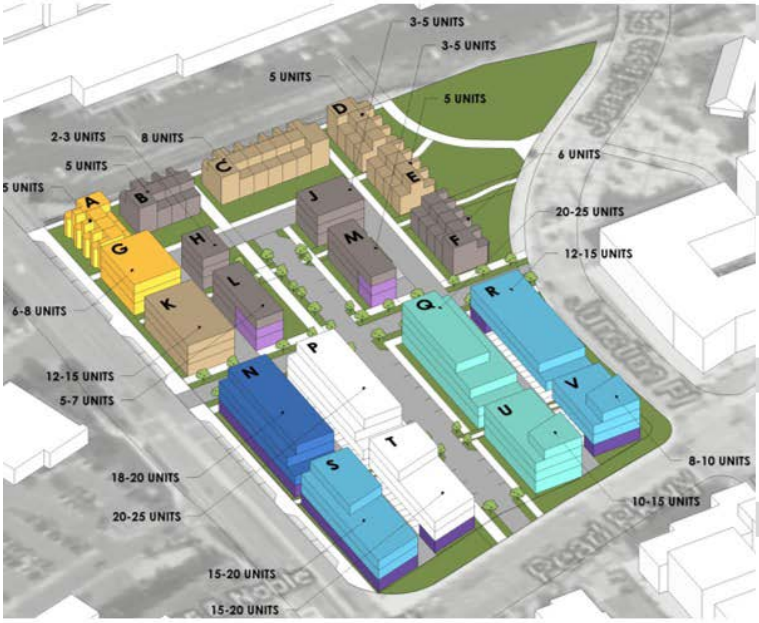
<u>Scenario 4: Similar to Scenario 3, but with greater affordability, including for-sale affordable units, but requiring additional city investment</u>

The fourth scenario also features 194 units and a unit mix that includes 23 percent townhomes. The most distinguishing attribute in the scenario is that it features the highest level of permanent affordability. Thirty-two percent of the units are low-mod affordable units and 13 percent are deed restricted middle income units. Another 20 percent are affordable to the middle market.

This higher level of affordability is achieved in three ways:

1. The scenario features 21 percent rental units.
2. Low Income Housing Tax Credits are assumed to be part of the financing approach.
3. The city would be required to contribute not only the land, but also an additional $5-6.5M in subsidy.

This scenario is also the only one to offer a limited number of micro units, which in this case could be used as supportive housing in conjunction with services based nearby.



Affordable Units		
Unit Count	63	FLATS 1,000 SF
Percentage	32%	MICRO UNITS 350 SF
Units for Rent	40	TOWNHOUSE/FAMILY FLATS 1,400 SF
Units for Sale	23	

Market Units		
Unit Count	68	FLATS 1,000 SF
Percentage	35%	TOWNHOUSE/FAMILY FLATS 1,400 SF
Units for Rent	0	
Units for Sale	68	

Middle Deed Restricted Units		
Unit Count	25	FLATS 1,000 SF
Percentage	13%	TOWNHOUSE/FAMILY FLATS 1,400 SF
Units for Sale	25	

Middle Market Units		
Unit Count	38	MIDDLE-MKT FLATS 1,050 SF
Percentage	20%	
Units for Sale	38	

TOTAL UNITS	194
Commercial SF	21,435 sf RETAIL/COMMERCIAL

Scenario 4 Summary – Compared to Evaluation Criteria				
Meets FBC	**Units**	**Low-Mod Perm. Afford. Units**	**Unit Type Variety**	**Range of Incomes**
Yes	194	63	23% Townhomes 79% Ownership	32% Low-Mod Affordable 13% Mid. Inc. Deed Restricted 20% Mid. Inc. Market Affordable 35% Market Rate

Pros:

- The scenario provides a type of housing that has not recently been built in the area and which may be more appropriate for families or larger households. One third of those units are permanently affordable to low-moderate or middle income households.
- It provides housing affordable to a broad range of incomes.
- Forty-five percent of units are permanently affordable and an additional 20 percent are affordable to the middle market.
- 79 percent of the units are for sale.
- A limited number of micro units could be used for supportive housing, in alignment with the TVAP goal for serving special populations.

Cons:

- The scenario does not maximize the number of units on the site.
- It will require an additional city subsidy of $5-6.5M.

Comparative Scenario Evaluation

The scenarios all have different strengths and weaknesses. The purpose of analyzing the scenarios and comparatively evaluating them is to potentially define a "hybrid" scenario that best balances city goals, investment and community outcomes.

As illustrated in the table below (using a "good, better, best" system), all of the scenarios can all help achieve TVAP goals in different ways.

Does it meet TVAP Goals?					
Scenario	**Meets FBC**	**Units**	**Low-Mod Perm. Afford. Units**	**Unit Type Variety**	**Range of Incomes***
1	Best Yes	Best 246 units	Better 49	Unknown	Good 20% Low-Mod Affordable 80% Market Rate
2	Best Yes	Best 246 units	Better 50	Good 22% Large Flats 100% Ownership	Better 20% Low-Mod Affordable 12% Mid. Inc. Deed Restricted 19% Mid. Inc. Market Affordable 49% Market Rate
3	Best Yes	Good 194 units	Good 39	Best 24% Townhomes 100% Ownership	Better 20% Low-Mod Affordable 10% Mid. Inc. Deed Restricted 15% Mid. Inc. Market Affordable 55% Market Rate
4	Best Yes	Good 194 units	Best 63	Better 23% Townhomes 79% Ownership	Best 32% Low-Mod Affordable 13% Mid. Inc. Deed Restricted 20% Mid. Inc. Market Affordable 35% Market Rate

*Range of Incomes is also a proxy for meeting the draft Middle Income Housing Strategy, which is:
20% Low-Mod Affordable, 10% Mid. Inc. Deed Restricted, 50% Mid. Inc. Market Affordable, 20% Market Rate

The least successful option in terms of meeting the defined goals is Scenario 1, as it falls far short of goals related to housing affordability and unit type variety. The other scenarios, however, all provide a positive outcome for redevelopment of the city-owned site in relation to the defined goals.

Defining a Preferred Scenario – Staff Recommendation
Considering the goals in TVAP, the goals for the acquisition of the site, and the development that has taken place in the area to date, staff recommends defining a preferred scenario that best meets the following criteria:

- Households with a broad range of incomes should be served.
- Permanent affordability for a wider range of incomes should be maximized.
- A true mixture of housing types should be provided.
- The way in which the land is sold, leased, or transferred should ensure the desired outcomes are achieved.

Under these criteria, the preferred scenario would be something closely resembling Scenario 4, which will be referred to as **Preferred Alternative A**. This alternative would:

- ✓ Provide the highest amount (45 percent) of permanent affordability (32 percent low-moderate and 13 percent middle income units).
- ✓ Provide the highest amount of middle income market affordability (20 percent of units).
- ✓ Offer a variety of housing unit types beyond stacked flats, with an emphasis on ownership.
- ✓ Ensure achievement of desired outcomes but not maximize revenues from a sale.

This alternative, however, would require additional subsidy. As envisioned through the current analysis, the subsidy could be in the range of $6.5 million. A decision to provide additional housing subsidy would require withholding subsidy from future projects. Tradeoffs would therefore need to be discussed over time.

If council does not support the addition of subsidy for Preferred Alternative A, the next option would be something resembling Scenario 3, or **Preferred Alternative B**. Such an alternative would:

- ✓ Provide 30 percent permanent affordability (20 percent low-moderate and 10 percent middle income units). This is less than Preferred Alternative A.
- ✓ Provide a good amount of middle income market affordability (15 percent of units). This is less than Preferred Alternative A.
- ✓ Offer a variety of housing unit types beyond stacked flats, with an emphasis on ownership.
- ✓ Ensure achievement of desired outcomes but not maximize revenues from a sale.

Both alternatives meet the criteria above, but can be adjusted to provide different levels of affordability–at the low-moderate, middle, and middle market income levels–and different amounts of subsidy. With council support for either of these preferred alternatives, staff can begin to draft a RFP for solicitation of a development partner(s).

V. NEXT STEPS

Fourth Quarter 2016 – Based on council feedback, including priorities for the site redevelopment, staff will develop a RFP for a development partner(s). Staff will also propose a review and selection process.

First Quarter 2017 – RFP and proposed selection process will be shared with council and approval sought to move forward. Following council consultation, the RFP will be issued.

Second Quarter 2017 – Selection process will commence and partner(s) will be chosen.

ATTACHMENTS

Attachment A – Scenarios Side by Side
Attachment B – Scenario Summary

SCENARIO 1

Affordable Units		
Unit Count	49	FLATS 1,000 SF
Percentage	20%	
Units for Rent	Variable	
Units for Sale	Variable	FAMILY FLATS 1,400 SF

Market Units		
Unit Count	197	FLATS 1,000 SF
Percentage	80%	
Units for Rent	Variable	FAMILY FLATS 1,400 SF
Units for Sale	Variable	

Middle Deed Restricted Units	
Unit Count	0
Percentage	0%
Units for Sale	-

Middle Market Units	
Unit Count	0
Percentage	0%
Units for Sale	-

TOTAL UNITS 246

Commercial SF 21,435 sf — RETAIL/COMMERCIAL

SCENARIO 2

Affordable Units		
Unit Count	50	FLATS 1,000 SF
Percentage	20%	
Units for Rent	0	
Units for Sale	50	FAMILY FLATS 1,400 SF

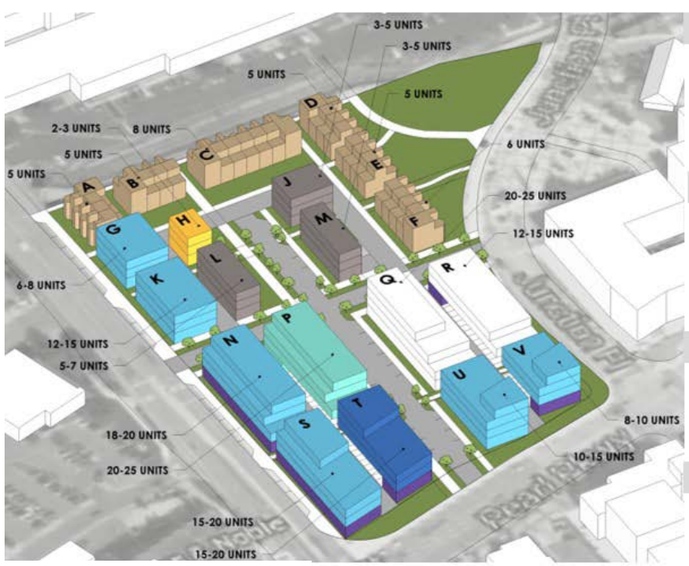
Market Units		
Unit Count	120	FLATS 1,000 SF
Percentage	49%	
Units for Rent	0	FAMILY FLATS 1,400 SF
Units for Sale	120	

Middle Deed Restricted Units		
Unit Count	30	FLATS 1,000 SF
Percentage	12%	
Units for Sale	30	FAMILY FLATS 1,400 SF

Middle Market Units		
Unit Count	46	MIDDLE-MKT FLATS 1,050 SF
Percentage	19%	
Units for Sale	46	

TOTAL UNITS 246

Commercial SF 21,435 sf — RETAIL/COMMERCIAL



SCENARIO 3

Affordable Units		
Unit Count	39	FLATS 1,000 SF
Percentage	20%	
Units for Rent	0	
Units for Sale	39	FAMILY FLATS 1,400 SF

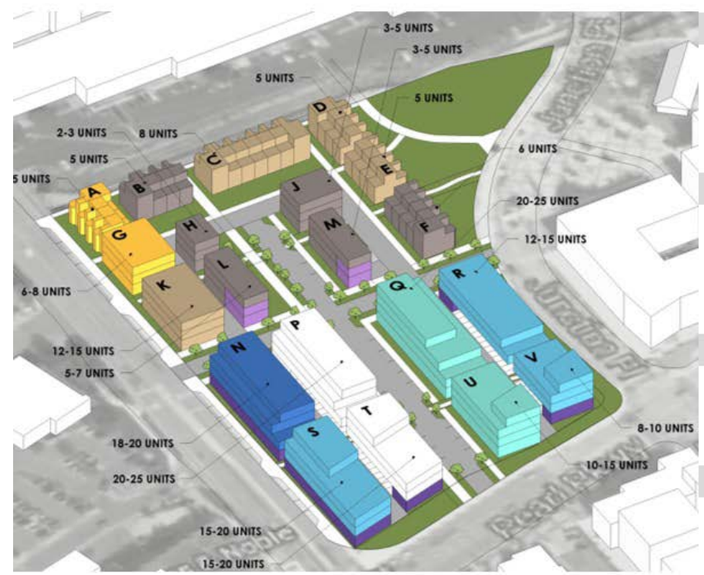
Market Units		
Unit Count	106	FLATS 1,000 SF
Percentage	55%	
Units for Rent	0	TOWNHOUSE 1,400 SF
Units for Sale	106	

Middle Deed Restricted Units		
Unit Count	19	FLATS 1,000 SF
Percentage	10%	
Units for Sale	19	FAMILY FLATS 1,400 SF

Middle Market Units		
Unit Count	30	MIDDLE-MKT FLATS 1,050 SF
Percentage	15%	
Units for Sale	30	

TOTAL UNITS 194

Commercial SF 21,435 sf — RETAIL/COMMERCIAL



SCENARIO 4

Affordable Units		
Unit Count	63	FLATS 1,000 SF
Percentage	32%	MICRO UNITS 350 SF
Units for Rent	40	
Units for Sale	23	TOWNHOUSE/FAMILY FLATS 1,400 SF

Market Units		
Unit Count	68	FLATS 1,000 SF
Percentage	35%	
Units for Rent	0	TOWNHOUSE/FAMILY FLATS 1,400 SF
Units for Sale	68	

Middle Deed Restricted Units		
Unit Count	25	FLATS 1,000 SF
Percentage	13%	
Units for Sale	25	TOWNHOUSE/FAMILY FLATS 1,400 SF

Middle Market Units		
Unit Count	38	MIDDLE-MKT FLATS 1,050 SF
Percentage	20%	
Units for Sale	38	

TOTAL UNITS 194

Commercial SF 21,435 sf — RETAIL/COMMERCIAL

		#1			#2			#3			#4	
Affordable Units Total/Percentage		**49**	**20%**		**50**	**20%**		**39**	**20%**		**63**	**32%**
Affordable For Rent			0%		0	0.0%		0	0%		40	21%
FLAT	Variable			0			0			16		
TOWNHOUSE/FAMILY FLAT	Variable			0			0			12		
MICRO	Variable			0			0			12		
Affordable For Sale					50	20%		39	20%		23	12%
FLAT	Variable			34			25			17		
TOWNHOUSE/FAMILY FLAT	Variable			16			14			6		
MICRO	Variable			0			0			0		
Market Rate Total/Percentage		**197**	**80%**		**120**	**49%**		**106**	**55%**		**68**	**35%**
Market Rate For Rent			0%		0	0%		0	0%		0	0%
FLAT	Variable			0			0			0		
TOWNHOUSE/FAMILY FLAT	Variable			0			0			0		
MICRO	Variable			0			0			0		
Market Rate For Sale					120	49%		106	55%		68	35%
FLAT	Variable			88			77			46		
TOWNHOUSE/FAMILY FLAT	Variable			32			29			22		
MICRO	Variable			0			0			0		
Middle Rate Total/Percentage		**0**	**0%**		**76**	**31%**		**49**	**25%**		**63**	**32%**
Middle Rate For Sale					30	12%		19	10%		25	13%
FLAT				24			15			20		
TOWNHOUSE/FAMILY FLAT				6			4			5		
MICRO				0			0			0		
Middle Rate - "Market" For Sale		0	0%		46	19%		30	15%		38	20%
FLAT (1,050 sq. ft.)	0			46			30			38		
TOWNHOUSE/FAMILY FLAT	0			0			0			0		
MICRO	0			0			0			0		
Total units		**246**			**246**			**194**			**194**	
Commercial Sq. Ft.		**21,435**			**21,435**			**21,435**			**21,435**	
Land Sale Yield		$13M-$15M			$0.00			$0.00			0	
Potential Cash in lieu		$0.00			$0.00			$0.00			0	
Additional Subsidy		$0.00			$0.00			$0.00			$5M-$6.5M	
Parking												
Underground		200			200			148			148	
Tuck under		75			75			75			75	
Parallel		25			25			25			25	
Total Parking		300			300			248			248	

Assumptions/Notes:

Low Income Housing Tax Credit 30%-60% AMI

4% Bond Tax Credits w/ NO Competitive State Tax Credits

Unit Size Range 350 sq ft - 1,400 sq. ft.

Average Sales Prices and Rent Rates Unit Type	Sales Price(est.)	Rent Month	AMI Target Sale	 Rent
Flat/Affordable	$182,770	$555-$1,172	60-80%	30%-60%
Flat/Market	$530,000	$2,700-$3.300	MKT	MKT
Flat/Middle	$258,200	N/A	80-120%	N/A
TOWNHOUSE/FAMILY FLAT/Affordable	$227,388	$629-$1,342	60-80%	30%-60%
TOWNHOUSE/FAMILY FLAT/Market	$742,000	$3,800-$4,200	MKT	MKT
TOWNHOUSE/FAMILY FLAT/Middle	$329,798	N/A	80%-120%	N/A
Middle Rate Market	$393,750	N/A	150%	N/A

The contents of this presentation are for information purposes. The data is from sources deemed reliable for conceptual level planning and therefore the results are not guaranteed.

City of Boulder

COBURN

STUDY SESSION MEMORANDUM

TO: Mayor and Members of City Council

FROM: Jane S. Brautigam, City Manager
David Driskell, Executive Director, Planning, Housing + Sustainability
Kurt Firnhaber, Deputy Director for Housing
Susan Richstone, Deputy Director for Planning
Lesli Ellis, Comprehensive Planning Manager
Jay Sugnet, Project Manager
Crystal Launder, Housing Planner

DATE: October 25, 2016

SUBJECT: Middle Income Housing Working Group Recommendations

EXECUTIVE SUMMARY

The purpose of the study session is to request council feedback on the draft *Middle Income Housing Strategy* as a new component within Boulder's Comprehensive Housing Strategy. The strategy was guided by a middle income working group, comprised of members from City Council and Planning Board. The purpose of the strategy is to provide a housing policy framework, including community priorities for action and specific tools to help meet the adopted Housing Boulder goal to "Maintain the Middle."

Specifically, this study session will request feedback on the draft *Middle Income Housing Strategy* and to propose next steps towards the implementation of this strategy.

Questions

Does council have feedback on the draft strategy, including:

1. proposed middle income housing goal;
2. proposed policies and tools to preserve and create middle income housing;
3. the proposed next steps and timeline; and
4. updating the inclusionary housing ordinance to include a middle income requirement.

I. BOULDER VALLEY COMPREHENSIVE PLAN

The middle income working group was informed by staff, community and consultant discussions as part of the BCVP update. Specifically, the BVCP is exploring land use and policy changes to

support middle income housing as well as other affordable housing outcomes and community objectives related to climate action, transportation, resilience, and jobs: housing balance. Work directly related to middle income housing, includes:

- A citywide look at land use scenarios focused in potential Opportunity Areas (e.g., Regional and Neighborhood Centers, Light Industrial Areas, Major Corridors, and Gentle infill);
- Growth scenarios based on current zoning and potential land use changes in Opportunities;
- Potential missing middle housing prototypes (e.g., townhomes, rowhomes, small lot single-family, ADUs, microunits, live/work), including potential locations and economic analysis; and
- Policy options (community benefit, land use, housing policy chapter).

BVCP materials were shared with City Council at the Sept. 13 briefing. Further public engagement, including events and surveys will occur in Oct. and Nov. and policy recommendations will be considered at a joint session of Planning Board and City Council in January 2017.

II. PLANNING BOARD FEEDBACK

On Oct. 20, Planning Board discussed the *Middle Income Housing Study* and the contents of the study session memo. Staff will present Planning Board feedback at the study session.

III. NEXT STEPS

In addition to the scenario analysis undertaken as part of the BVCP update, staff will:

- Upon completion of updates from this study session, staff will provide a proposed final strategy as part of the study session summary;
- As part of the larger Housing Boulder efforts, during the first quarter of 2017, staff will convene a series of open houses seeking community input on updates to the Inclusionary Housing Ordinance, which will include the addition of a middle income component, in the second quarter of 2017 staff will return to Council to present this update and implementation is expected to take place in the third quarter of 2017;
- Work with the BVCP process update to inform and propose policy changes that will support the Middle Income Housing Strategy;
- Define metrics of success for maintaining, expanding and measuring middle income housing and establishing quantified targets where appropriate; and
- As appropriate and based on the outcome of the BVCP analysis and evaluation of other interventions, propose updates to other aspects of the city's Comprehensive Housing Strategy and two-year Action Plan to guide work in support of low and moderate income housing.

For more information, please contact Jay Sugnet at sugnetj@bouldercolorado.gov, (303) 441-4057, or www.HousingBoulder.net.

ATTACHMENTS

A. Draft *Middle Income Housing Strategy*
B. Feedback from the middle income working group - items not incorporated into the strategy

Middle Income Housing Strategy

With creativity, determination and partnership, we can get there

Boulder, Colorado

2016 to 2030

September 2016

DRAFT

Acknowledgements

Many individuals informed and contributed to this document.

Middle Income Housing Strategy Working Group
City Council Members:
Matt Appelbaum
Jan Burton
Andrew Shoemaker
Lisa Morzel and Mary Young (alternating)
Planning Board Members:
Bryan Bowen
Leonard May

City Council Members
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Aaron Brockett
Jan Burton
Suzanne Jones, Mayor
Lisa Morzel
Andrew Shoemaker
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Mary Young

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Susan Richstone, Deputy Director for Planning
Lesli Ellis, Comprehensive Planning Manager
Jeff Yegian, Housing Planning/Policy Manager
Jay Sugnet, Senior Planner
Crystal Launder, Housing Planner

Boulder's residents and workers, especially those who, in various public meetings and surveys shared information and thoughts that informed this strategy.

Background information and data was used from previous work provided to the city by BBC Research & Consulting, Heidi Aggeler, Managing Director and Mollie Fitzpatrick, Director.

Middle Income Housing Strategy

Executive Summary

Since 1989, Boulder's share of middle class households has decreased six percent, with a corresponding increase in high income households. Though complex local, national and international economic factors may underlie some of this shift, ultimately housing is the infrastructure of socioeconomic diversity. The city's sustainability framework recognizes this, calling for *housing options to accommodate a diverse community*. The 2014 Housing Choice Survey and 2016 Middle Income Housing Study, provide strong evidence that middle income households, in particular would-be homeowners, are met with diminishing choices when they seek to buy a home in Boulder. Boulder's median single-family home price is now well out of reach for even the top earning middle income households.

As home prices continue to increase, it is clear that the current goal of 450 permanently affordable middle income homes is no longer adequate. Furthermore, with annexation as the only vehicle for permanently affordable middle income housing, there are just 107 homes permanently deed restricted to middle income households. In order to expand opportunities for middle income households in Boulder, a bolder goal and more extensive suite of tools is needed.

Moving forward, it will be challenging to create middle income housing opportunities without changing our approach. With little undeveloped land left in Boulder, we must program it correctly. The Middle Income Housing Study found that attached housing in Boulder remains affordable longer, therefore new homes should be attached, and while relatively compact, designed to serve a variety of middle income households, including individuals, families with children, and seniors. To the extent feasible, permanently affordable deed restrictions must be used to secure the affordability of new and existing homes for middle income households well into the future.

This draft ***Middle Income Housing Strategy*** defines a comprehensive approach to create and preserve housing choice for middle income households and puts forth a new aggressive, but obtainable goal that will increase housing options for middle income households.

Middle Income Housing Goal:

Build or preserve 3,500 middle income homes by 2030

2,500 market-rate middle income

1,000 deed restricted permanently affordable

There is no single mechanism to arrive at this goal, but instead a suite of primary and secondary tools that, together, can achieve it. All of the tools in this strategy will need to be effectively implemented in order to secure this expanded goal.

Middle Income Housing Strategy

4 Key Middle Income Housing Tools

1. **Land Use & Policy:** Provide recommendations for Boulder Valley Comprehensive Plan (middle income housing types and barriers to moderately sized units, including both the plan's policies and land use designations).
2. **Middle Income Community Benefit Zoning:** Adopt community benefit policies and outline regulations to establish incentive-based community benefit re-zoning to encourage additional housing opportunities that may be affordable to middle income households. Proposed land use changes should require additional affordable housing benefit specific to middle income affordability.
3. **Inclusionary Housing (IH):** Amend the current Inclusionary Housing (IH) regulations to include a middle income tier.
4. **Annexation:** Adopt policies requiring a higher level of middle income community benefit for annexations.

While these four key tools hold the greatest promise to unlock opportunity for middle income households, other tools that can be pursued include:

Secondary Middle Income Housing Tools

- Preservation of existing homes through deed restrictions
- Neighborhood Pilot Innovation Programs
- Amend the ADU/OAU ordinance, with the inclusion of deed restrictions

"New multi-unit housing in Boulder needs to be kid-friendly, not just dog-friendly."

- 2014 Housing Choice Survey response

Middle Income Housing Strategy

A. The Process to Create a Middle Income Housing Strategy

The City Council identified the loss of middle income households in Boulder as a pressing community concern during the Housing Boulder process. On May 3, 2016 the City Council voted to create a Middle Income Housing working group comprising of members of the City Council and the Planning Board for the purpose of working with staff to develop a draft Middle Income Housing Strategy. From May to August 2016, five members of the City Council, including Matt Appelbaum, Jan Burton, Lisa Morzel, Andrew Shoemaker and Mary Young, along with two members of the Planning Board, Bryan Bowen and Leonard May, convened on five occasions to work with staff to develop a proposal for a Middle Income Housing Strategy, a new component to a broader Comprehensive Housing Strategy, building on the community's existing affordable housing efforts.

Although the loss of middle income housing has been a concern since the 1999 Comprehensive Housing Strategy, the community and City Council recently coalesced around middle income as a common theme in the Housing Boulder public process. The city expects to achieve its goal of 10 percent of all homes in Boulder affordable to low and moderate income households through continued application of existing programs and refinements, such as the update to the linkage fee for nonresidential development. However, the city is losing ground with middle income households and the current middle income goal and tools are not adequate to address the challenge. The following strategy reflects the collaborative efforts of this working group on a path forward to providing more middle income housing.

The group's charge was to:

1. Modify the Current Goal for Middle Income Housing
2. Identify Funding Options for Middle Income Housing
3. Define Community Benefit Policies and Tools to Preserve and Create Middle Income Housing

Foundational to their work was the *Middle Income Housing Study*, prepared by BBC Research and Consulting, as well as ongoing research and community input informing the Boulder Valley Comprehensive Plan update process, input from the Maintain the Middle Working Group, feedback collected through Housing Boulder sub-community meetings and other outreach activities, the Housing Choice Survey, and the contributions and ideas of various members of the public.

B. An Overview of the Middle Income Context

Housing that is affordable to middle income households is a concern for many residents and community leaders in Boulder. There is concern that Boulder's character is changing as its economic middle shrinks and rising home prices undermine efforts around community diversity, resilience and sustainability. In 2013, City Council set in motion a policy initiative to define Boulder's "next generation" housing strategy

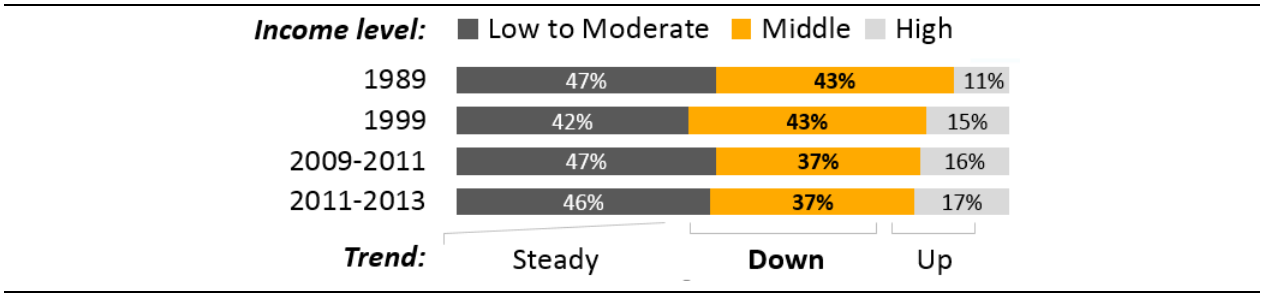
that would build upon and continue the successes of the past while expanding the city's toolkit to respond more effectively to new and emerging challenges. In September 2014, City Council adopted the goal to **Maintain the Middle** as one of six goals to help guide the development of a larger comprehensive housing strategy.

Housing Boulder Goal: Maintain the Middle

Provide a greater variety of housing choices for middle-income families and Boulder's workforce.

In early work prepared during the community outreach phase of Housing Boulder, it was found that…

The share of Boulder's middle income households has declined 6% since 1989, offset by an increase in high income households



Boulder is a university community and the graph above presents our entire community, including student households. The relative share of income categories – low to moderate, middle and high – would be different if student households, which largely fall in the low to moderate income category, were excluded. However, more importantly it shows a trend of an equivalent gain in upper income households for the loss of middle income households in Boulder.

C. Who is the Middle and What Can They Afford?

In the fall of 2015, the city commissioned a Middle Income Housing Study and in January 2016 BBC Research and Consulting provided an in-depth analysis of middle income housing options and trends in Boulder. For the study and future policy discussion, middle income was defined as ranging between 80 and 150 percent of the Area Median Income (AMI).

Middle Income:
80% to 150% of Boulder's Area Median Income

1-Person Households = Earning $53,000-$104,000

3-Person Household = Earning $68,000-$134,000

Middle income jobs include:
accountants, architects, librarians, veterinarians, and web developers

Housing Affordable to Middle Income Households:

1-Person Household =
Affordable Rent
$1,327 - $2,610

Affordable Home Price
$227,071 - $446,781

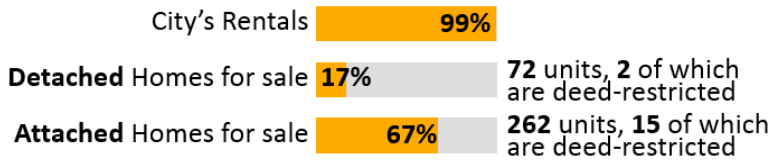
3-Person Household =
Affordable Rent
$1,705 - $3,356

Affordable Home Price
$291,863 - $574,525

D. Key Finding from the 2016 Middle Income Housing Study

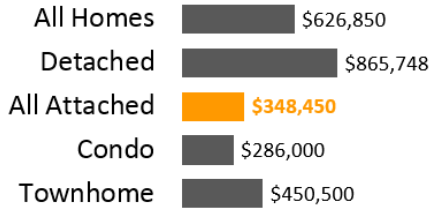
- It is increasingly difficult for middle income families to find housing in Boulder. **Housing prices have risen 31% in the past two years** alone.
- **Middle income households can afford 99% of city's rentals**, but only 67% of attached homes and 17% of detached homes for sale (including 2 middle income deed restricted homes); therefore, the main gap in middle income housing products is for-sale.

What is available to middle income households now?



- Although the vast majority of rentals are affordable to middle-income households, the **types of rentals may not match peoples' needs and preferences** (particularly families and seniors).
- The **inventory of homes affordable to middle income households decreased over the previous fifteen years**, with just 72 single-family detached homes affordable to middle income buyers in 2015 compared to 239 in 2000, and 262 attached homes affordable to middle income buyers in 2015, compared to 515 in 2000.
- **Attached homes maintain affordability better than detached homes**.

Median attached home prices remain lower



- Attached homes are lower priced **even in high-demand areas in Boulder** and are less likely to expand.
- The 2014 Housing Choice Survey revealed that **53% of in-commuters surveyed would consider moving to Boulder in the future**. To live in Boulder:
  - Half would be willing to live in a townhome;
  - One-third would live in a duplex/triplex/fourplex.

E. How Will the Middle Income Strategy Be Used?

The Middle Income Housing Strategy provides a concrete goal for middle income housing in Boulder as well as a framework of policies and tools to reach that goal. It will help to…

- **Inform policy decisions** related to the Boulder Valley Comprehensive Plan update;
- **Advance work items** on the Planning Housing + Sustainability annual work plan, that will produce the programmatic and regulatory infrastructure to reach the goal; and
- **Inform funding** decisions.

Multiplexes at Northfield Commons

"We have ordinary middle class jobs, two incomes, but with three kids we don't expect to be able to move back into the city until their teen years or so, if ever. We hate the carbon footprint of commuting, but we see it as an either-or choice between having a family and living in Boulder."

- 2014 Housing Choice Survey Response

F. A New Goal

Middle Income Housing Goal:

Build or preserve 3,500 middle income homes by 2030

2,500 market-rate middle income

1,000 permanently affordable middle income

The Current Middle Income Goal is Insufficient

Since adoption of Boulder's 1999 Housing Strategy, there has been significant progress toward achieving the city's adopted housing goals, including, notably, the goal to have 10% of the city housing stock be deed restricted as permanently affordable for low and moderate income households. In the third quarter of 2016, there were 3,354 deed restricted affordable homes for low and moderate income households, representing 7.5% of the city's housing stock. It is projected that the 10% Goal could be reached within five years. In contrast, the city's much more modest middle income goal, **450 deed restricted permanently affordable homes affordable to middle income households**, is progressing far slower. Currently annexations are the only tool to create or acquire deed restricted permanently affordable homes for middle income households. As of the third quarter 2016, there were just 107 deed restricted middle income affordable homes in Boulder.

In a time when the median home price in Boulder is well beyond reach of even the highest earning middle income household, and a six percent loss of middle income households has been documented (and is now likely greater), the current middle income goal is no longer sufficient.

"Shared garden space or shared yard a must, if townhome/condo."

-2014 Housing Choice Survey response

Silver Sage, Holiday Neighborhood

Middle Income Housing Strategy

Philosophy for a New Middle Income Goal

A middle income goal was set based on our values and recent growth trends and growth projections, while being bold.

Our Values: Be Diverse

Any middle income housing goal should be based on the community values and not a calculation of unmet demand or demands specific to a particular category of households such as workforce households or in-commuters. These calculations can lead to numbers that are either too vast to be attainable or too narrow to address our values as a community.

> **BVCP Housing Choice Policy 7.06 Mixture of Housing Types** (2016 staff-proposed edits in orange) The city and county, through their land use regulations and housing policies will encourage the private sector to provide and maintain a mixture of housing types (e.g., single family, multiplexes, courtyard housing, townhomes, micro-units, and accessory dwelling units) with varied prices, sizes and densities, to meet the housing needs of the full range of the Boulder Valley population. The city will encourage developers to provide a mix of housing types within each development.

Be Realistic

To set a middle income goal, we believe it's important to consider factors such as the remaining capacity for residential development, the existing Residential Growth Management System (one percent annual growth rate), the potential of key policies and tools to produce housing within reach of the middle income households, development trends, and lending practices.

Be Bold

Because of the tremendous need for middle income housing in Boulder, a middle income housing goal should be ambitious and inspire the innovation, creativity, and focus to do as much as possible.

Calculating the New Middle Income Housing Goal

See **Appendix. Calculating the Middle Income Housing Goal** for details on assumptions and methods used to calculate the middle income goal.

G. Monitoring Success

Implementation and Progress

Successful implementation of the Middle Income Housing Strategy can be measured both by the degree to which the recommended policies are implemented and by our progress toward the middle income housing goal.

Two categories of middle income homes will be used to track the goal:

1. **For-sale homes with middle income deed restricting covenants**
2. **Market-rate middle income-oriented homes, affordable to middle income families (e.g., attached, "missing middle", potential for future homeownership, tenure)**

Missing Middle Housing = A range of multi-unit or clustered housing types compatible with single-family homes, common in pre-1940s neighborhoods. In Boulder the market currently produces larger multi-unit apartments as well as single-family homes, but few mid-sized buildings, which middle income households indicated in the 2014 *Housing Choice Survey*, they would choose. Missing middle housing also provides a good transition between established single-family neighborhoods and nearby commercial corridors.

Source: Opticos Design, Inc., www.missingmiddlehousing.com accessed August 22, 2016

Tracking the Goal

City staff currently tracks all deed-restricted affordable homes in the city, therefore deed-restricted middle income homes (#1) can be monitored with ease. Market-rate, middle income-oriented homes (#2) will be monitored through periodic review of residential new construction permit data and market activity. The primary factors that will influence relative affordability over time that serve a diversity of middle income households include:

Size (< 2,000sf) | **Type (attached, missing middle)** | **Cost** | **Tenure**

Tenure Focus on Middle Income Homeownership

Homeownership opportunities for middle income households are eroding, therefore the city's focus is on facilitating housing outcomes that serve middle income homeowners. In contrast, 99 percent of rental housing in Boulder was affordable to middle income households at the time of the Middle Income Housing Study last year. It is most appropriate then that all 1,000 deed restricted middle income homes serve homeowner households. For the homes that are not deed restricted, the city has limited ability to prescribe tenure (rental vs. homeowner). Therefore, the city will monitor housing production, regardless of whether a home enters the housing stock as rental or for sale. However, the city will track homes types that are likely or possible to shift to homeownership in the future. Those homes that match the criteria to serve middle income households will be counted as middle income market-rate homes.

Cost Monitoring Middle Income Rental Housing Affordability

Recent trends in housing overall, including increased rents, low vacancy rates, and limited future development opportunity, point to a need to develop a methodology to track rental housing affordability in order to know if and when interventions are needed. This will include the tracking of rent or sales price at the time of completion of new middle-income market homes.

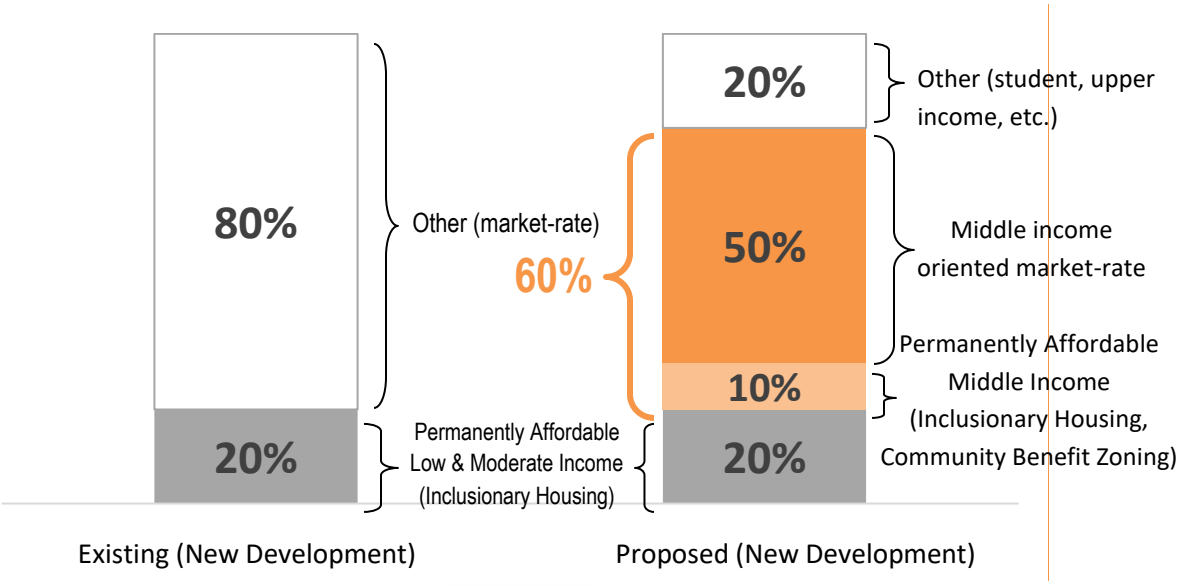
Size and Type Housing Choice and Diversity

Housing is the community infrastructure that informs who gets to live there. Diverse housing options, therefore, should support greater community diversity. Staff will monitor the production of various missing middle housing types (e.g., townhomes, live/work patio homes and condos), as well as their location, size, tenure and price points.

2- Habitat for Humanity Duplexes at Harmony Haven

New Construction and the City's Housing Goals: 20/60/20

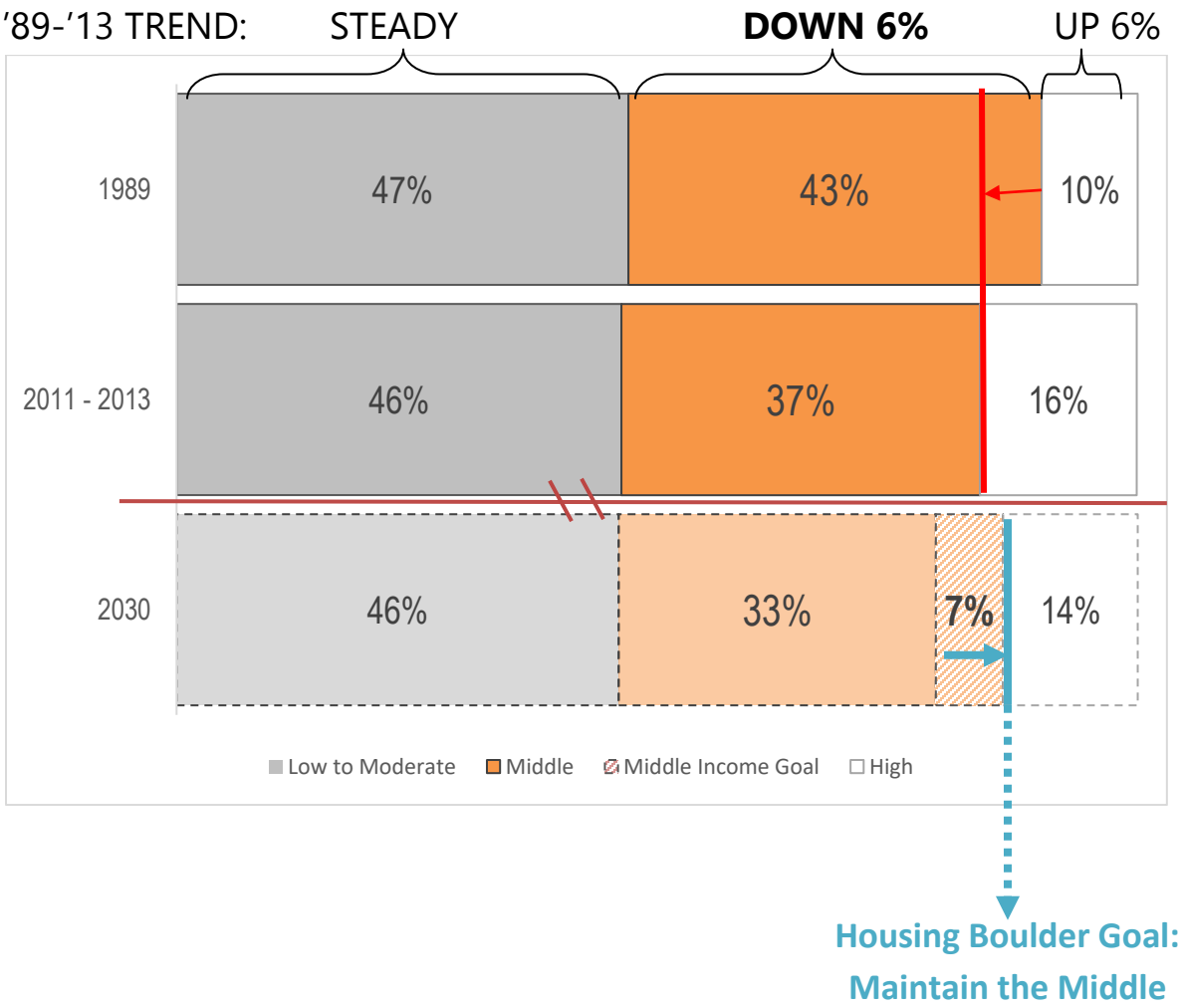
Since 2000, the Inclusionary Housing program has ensured that 20 percent of new residential construction in Boulder, is income targeted to low- and moderate-income households. The new Middle Income Housing Goal would guide 60 percent of new housing development to serve middle income households; therefore, the city's approach for new development would aspire to develop a 20/60/20 mix: 20 percent of new homes would continue to serve low and moderate-income households as permanently affordable, 60 percent would be targeted to serve middle income households (of which 10% would be permanently affordable to middle income households), and 20 percent would serve the balance of the market.



1707 Walnut in Central Boulder

A 7% Goal

Assuming adequate zoning capacity and an average annual growth rate of .8% per year (see Goal Calculation in Appendix), by 2030 the middle income housing goal of 3,500 homes will represent 7% of the city's housing stock. Between 1989 and 2013, a fourteen-year time period, Boulder's economic middle shrank by 6%. If over the next fourteen years (2016 to 2030) the goal of 3,500 homes affordable to middle income households is achieved, Boulder's economic middle will have been effectively maintained. This goal then – preservation and creation of 3,500 middle income homes – would achieve the Housing Boulder goal to Maintain the Middle.



H. Four Key Middle Income Housing Tools

The four key tools to create adequate opportunity to expand the supply of middle income housing in Boulder, include the following.

1. Land Use & Policy

- **Provide recommendations for the Boulder Valley Comprehensive Plan update**
  - **Policy:** Middle income policies
  - **Land use designations:** enable more middle income housing options on land currently zoned industrial and residential

2. Middle Income Community Benefit Zoning:

- Adopt **community benefit policies and outline regulations to establish incentive based rezoning/community benefit zoning** to encourage additional housing opportunities that may be affordable to middle income households. Proposed land use changes should require additional affordable housing benefit specific to middle income affordability. (Note that the BVCP is considering a broader range of community benefits beyond just housing.)

3. Inclusionary Housing (IH)

- **Amend Inclusionary Housing (IH) regulations** to include a middle income tier.

4. Annexations

- Adopt policies requiring a **higher level of middle income community benefit for annexations.**

Policy & Implementation

Land Use and Policy

Policy: Provide policy direction to the current BVCP update that would be consistent with the Middle Income Strategy to land use designation changes for middle income housing opportunities.

Implementation: Rezone appropriate areas to enable housing types that serve middle income households and retain middle income affordability for a longer period of time. Revisit the zoning code to reduce regulatory barriers to moderately-sized units.

Middle Income Community Benefit Zoning

Policy: In appropriate zone districts, and in cases where density or intensity is increased for a project, require an increased level of middle income housing units.

Implementation: Require and incentivize deed restriction, "missing middle" unit types, units that serve specific middle income households such as seniors or families, and potentially homeownership.

Inclusionary Housing

Policy: For new developments, require residential developers to provide a certain percentage of housing on-site units as permanently affordable to middle income households.

Implementation: Find a balanced approach to achieving middle income housing goals in addition to the current 20 percent requirement for low and moderate income housing. Financial analysis will be required to determine an appropriate percentage (e.g., 5, 10, 15%).

Annexations

Policy: Specify housing types for both market and deed restricted affordable units appropriate for specific middle income demographics (e.g., seniors, families, etc.)

Implementation:

1. Explicitly require housing types that serve target middle income demographics.
   a. "Missing middle" small to medium sized attached (e.g., duplex to 8-plex, townhomes)
   b. Seniors (e.g., patio homes, accessible, 1-2 bedrooms)
   c. Families (e.g., 2-4 bedrooms, some yard/outdoor play area)
2. Limit house size throughout a development project (e.g., maximum of 2,500 square feet)

I. Secondary Middle Income Housing Tools

Additional tools/strategies were identified as promising to allow the development and preservation of 3,500 middle income housing homes in Boulder by 2030:

Secondary Middle Income Housing Tools

● = Prioritized on 2016-17 Housing Boulder Work Plan
● = In cue on 2016-17 Housing Boulder Work Plan; will need to be prioritized
○ = Would need to be added to and prioritized on Housing Boulder Work Plan

Preservation (Deed-restricting existing homes)

1. ○ **Include some middle income homeownership opportunities in affordable acquisition/rehab projects:** When feasible require affordable acquisition rehab projects, which are typically rental, to also include some share of deed restricted ownership homes that serve middle income households.
2. ○ **Explore providing a rehab/redevelopment path for non-conforming properties** that currently have more units than what is allowed by zoning in order to retain the additional units in exchange for deed restriction. Identify properties that have non-conforming density (additional units) due to zoning that occurred after the property was constructed. Establish an ordinance that would allow the property to be substantially rehabilitated or rebuilt with the same number of units if some share of units is deed restricted permanently affordable to middle income households.
3. ○ **Home donation program**: Through estate planning, Boulder homeowners can donate homes or proceeds of the sale of homes to the city's housing program.
4. ● **Targeted funding:** Limited funding sources exist for deed restricted affordable middle income housing. When strategic opportunities present themselves, the city will make such an investment.
5. ○ **Homebuyer and homeowner assistance:** Explore establishing homebuyer and homeowner assistance programs that could result in permanently affordable middle income deed restrictions.
6. ○ **Additional funding for deed restricting existing housing:** Explore the establishment of a significant funding source (e.g., city issued bond), to fund large-scale deed restriction of existing housing.

● Neighborhood Innovation Pilot Program

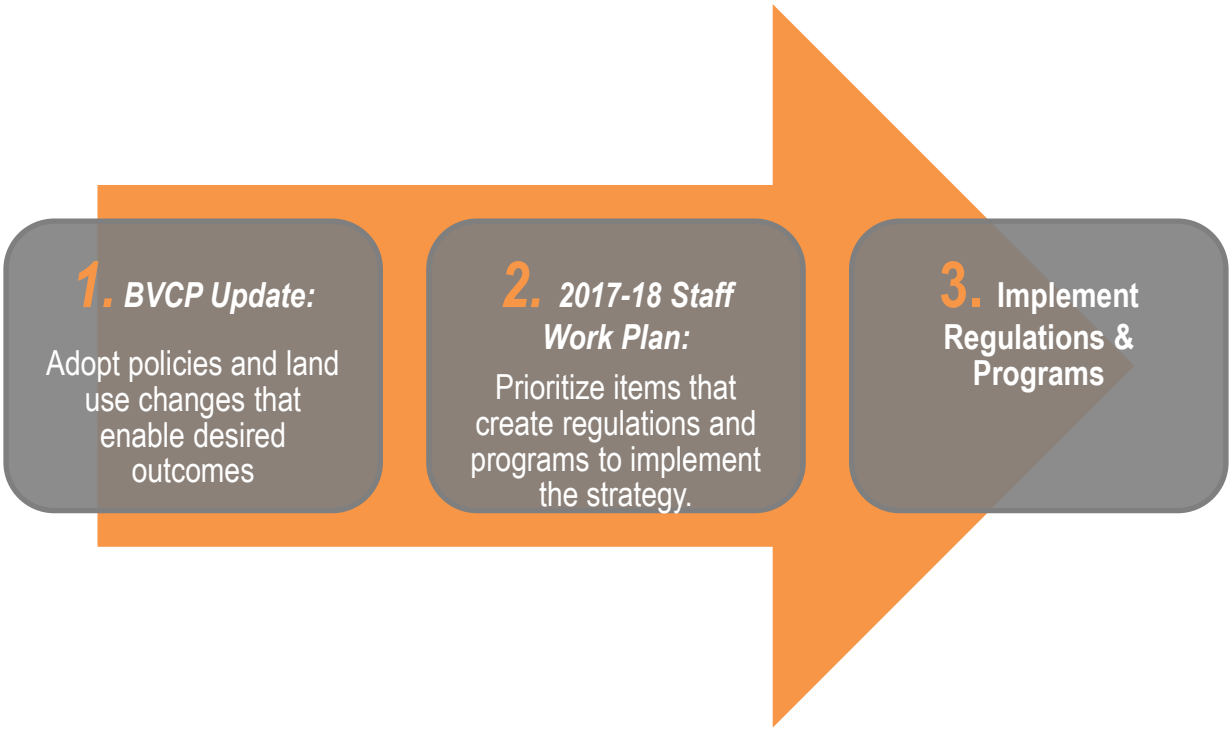
Institute a Neighborhood Innovation Pilot Program to provide a bottom up path for willing neighborhoods to re-imagine their built environment. Proposals brought to the Middle Income Housing Working Group include, infill within existing neighborhoods and re-envisioning large single-family lots within the 'residential estate' zone district.

● Amend the ADU/OAU Ordinance

Amend some or all requirements in the ADU/OAU ordinance (e.g., no more than 10% ADUs in a specific area, parking requirement, neighborhood notice, size limits) to allow more ADUs and OAUs within the city. Ensure that the ADU/OAU ordinance results in deed-restricted units.

J. Implementation Steps

A goal of 3,500 middle income homes in Boulder by 2030 is highly ambitious. This strategy maps out key and secondary tools that will get us there. Housing production and preservation of existing middle income housing affordability is very unlikely to be adequate to meet this goal if the policies and tools are not put in place.



K. Conclusion

The development of this middle income strategy has engaged the diverse and thought provoking input of the committee members that represent the city council and planning board. The committee has wrestled with and largely addressed their original scope of three items: 1) a new middle income goal, 2) identification of tools and impacted polices and 3) funding mechanisms. The goal presented in this strategy of creating 3,500 middle income housing units by 2030 is clearly aspirational and will require the commitment and dedication of the city to fully implement all four strategies. 1) **Land Use and Policies** that will create more moderately sized homes on land currently zoned industrial and residential, 2) **Middle Income Community Benefit Zoning** to establish incentive based re-zoning that encourages additional housing opportunities. 3**) Inclusionary Housing** policies to include a middle income tier. 4**) Annexations** that require a higher level of middle income community benefit. The output of these tools and strategies will develop an additional 7% of affordable housing stock in the city to significantly address the losses to middle income housing that we have experienced as a community over the last fifteen years. With affordable housing being the top concern to the community through various surveys, continual engagement with the community will be a key next step in sharpening the focus of these interventions.

APPENDIX

Calculating the Middle Income Housing Goal

Methods & Assumptions

1. **Timing:** 2030, fourteen years from 2016, provides a reasonable timeframe to put policy and programs in place and generate new or preserve existing middle income homes.

2. **Parameters for Maximum Potential New Units:** Existing land use and zoning, which is projected (2015) to produce 6,750 new homes by 2040, does not support achievement of the middle income housing goal; however, land use changes explored through the 2016 BVCP update process, could result in additional capacity of 3,750 to 6,100 homes for a total capacity of 10,500 to 12,850 homes. Only if land use changes are adopted that enable an adequate number of additional homes will the suite of tools recommended in this strategy produce enough housing to achieve the middle income goal.

3. **Annual Growth Rate:** Between 2011 and 2014, the annualized growth rate in Boulder was 0.8%. The goal was based on the assumption that the tools put forward in this strategy, including changes to land use, are implemented and that future growth of residential development in Boulder will continue at this same rate through 2030.

4. **Permanently Affordable Low-to-Moderate-Income Units:** Based on city policies (Inclusionary Housing) requiring 20 percent of new residential development serve low-to-moderate income households (*not* middle income), we assumed this share of new construction would be permanently affordable to these income categories, and therefore not serve middle income households. This estimate is conservative given that between 2000 to 2015, the average annual share of units permanently affordable to low and moderate income households was 24 percent.

5. **Middle Income Share of New Development: 60 percent of new units *not deed restricted to serve low and moderate income households* could serve middle income households.** Some redevelopment activity that serves upper income households, students, and others will continue to occur; however, with aggressive adoption of middle income policies and tools, 60 percent of new residential construction is proposed to serve middle income households (both deed restricted and market-rate affordable). In the 2016 *Middle Income Housing Study*, BBC Research found that attached housing is more affordable than detached across Boulder's sub-communities. The Boulder Valley Comprehensive Plan team and consultants are exploring housing prototypes, including reviewing the durability of affordability.

Methods & Assumptions (Continued)

6. **Preservation:** Preservation (deed restricting existing homes) is typically both opportunistic and voluntary. Furthermore, the per unit subsidy to help a middle income homebuyer purchase a home and secure a deed restriction is quite high. Therefore, tools such as allowing existing density, a less funding intensive tool, will be pursued to preserve and deed restrict units. Assuming aggressive policies and programs (both funding and regulatory) are adopted to secure middle income affordability, 500 existing units could be preserved.

7. **Deed Restricted Units:** A total of 1,000 deed restricted units would be created through a combination of preservation (500) and new development (500). With the adoption of new community benefit policies for annexation and zoning districts, expansion of Inclusionary Housing to serve middle income households, and land use changes to increase residential potential in Opportunity Areas as part of the Boulder Valley Comprehensive Plan update, a total of 1,000 permanently affordable middle income units could be gained through preservation and new construction.

Calculation on following page.

Calculation: Middle Income Housing Goal

Potential Middle Income Units		Number	
New Construction Units (Middle Income Only)			
1.	Total housing units in Boulder (2016)	45,422	
2.	(Assumption 3) Average Annual Growth Rate (2011 – 2014)	0.8%	
3.	Estimated total housing units in 2030 (0.8% annual growth rate)	50,782	
4.	New housing units produced, 2016 to 2030 ***would require land use changes***	5,360	
5.	(Assumption 4) Share of new units permanently affordable to low-to-moderate-income households (does not include preservation of existing units, 2000 – 2015)	20%	
6.	New units permanently affordable to low-to-moderate-income HHs	1,072	
7.	(Assumption 5) Share of new units that will serve middle income households (market-rate and permanently affordable)	60%	
8.	New market-rate and permanently affordable middle income units, rounded	3,000	
Preservation of Existing Units (Middle Income Only)			
9.	(Assumption 6) Existing units deed restricted permanently affordable	500	**Share of Housing Stock**
Middle Income Housing Goal			
PROPOSED NEW GOAL (3,000 New Units + 500 Existing Units; Share of Housing Stock: Goal ÷ Estimated total housing units in 2030)		**3,500**	**7%**
(Assumption 7) Deed Restricted (Deed restricted share: Deed restricted goal ÷ Estimated total housing units in 2030)		1,000	2%
Market Rate (3,500 Total Units – 1,000 Deed Restricted Units; (Deed restricted share: Market-rate component of goal ÷ Estimated total housing units in 2030)		2,500	5%

If the city is successful at reaching the goal – 3,500 middle income housing units – by 2030, based on the assumptions in the goal calculation, seven percent of housing produced will be restricted or targeted to middle income households. Between 1989 and 2013, it is estimated that the share of Boulder's middle income households decreased by six percent. Achieving this goal is expected to meet and potentially even exceed the Housing Boulder goal to maintain the middle (see subsection *A 7% Goal* under *Section F. A New Goal*). To reach a goal of 3,500 middle income homes by 2030, the Key (G) and Secondary (G) Tools (H), and Implementation Steps (I) identified in this strategy will need to be executed. **To the degree efforts are scaled back, the likelihood of reaching this ambitious middle income housing goal lessens.**

APPENDIX B

Feedback from the Middle Income Working Group that was Not Incorporated into the Middle Income Housing Strategy

The strategy is meant to provide a policy framework, including community priorities for action and specific tools, rather than reflect the working group conversation and specific points of disagreement or concerns raised. Below, we have captured those major points of conversation not otherwise represented in the Middle Income Housing Strategy and have provided a staff response.

- ***Concern:*** **Market-rate affordability.** Market-rate housing may not remain affordable to middle income households in the future.

  Staff Response: As part of the Boulder Valley Comprehensive Plan update, housing prototypes are being explored that are intended serve middle income households and provide broader housing diversity. An economic analysis of prototypes will be performed to better understand likely initial price points and changes in cost over time. Ideally, the strategy will inform the nature of those units, encouraging outcomes that align with the community's desire to have more housing options that are affordable. Costs of these housing types will be monitored to assess the affordability both of the initial sales price and resales prices over time. Adjustments to the strategy may be needed if affordability is lost.

- ***Concern:*** **Use of Boulder County AMI figures.** The Area Median Income (AMI) figures used for analysis in the Middle Income Housing Study are for Boulder County, yet the home sales price data used to discuss affordability is specific to Boulder. Shouldn't we use City of Boulder AMI?

  Staff Response: The City of Boulder's median household income is consistently lower than Boulder County's, in part, as a result of the community's large student population. For example, in 2014, City of Boulder's median household income was estimated to be $58,062, whereas Boulder County's was estimated to be over $10,000 higher; $69,407. This suggests that the Boulder County AMI is more reflective of nonstudent households, the target demographic of a Middle Income Housing Strategy. Use of the Boulder County AMI is consistent with Division of Housing practice, which uses AMI to determine if a household's income is low enough to qualify to purchase or rent particular affordable homes. This practice, using the Boulder County AMI figures, aligns with state and national funding sources.

- ***Concern: Expensive homes potentially inflate the median home price:*** Can we use a median home price that excludes the larger homes that may skew the data, particularly in the case of single-family detached homes?

Staff Response: BBC Research and Consulting provided median home price figures for homes under 2,000 square feet inclusive of basement space using the same 2015 market data used in the 2016 Middle Income Housing Study. Median *attached*, *condo* and *townhome* prices were virtually unchanged when 2,000 square foot and larger homes were excluded; however, the median *detached* home price decreased by nearly $200,000 when larger homes were excluded ($865,748 median home price when all homes included compared to $650,000 when only homes under 2,000 square feet were included). Using standard assumptions, $650,000 is still beyond the means of a 3-person household at the upper end of the middle income spectrum.

- ***Concern: Can ADUs really provide housing for middle income households?***

  Staff Response: Potential middle income beneficiaries of an update to the ADU ordinance include seniors as well as middle income individuals who inhabit the ADU as renters. Additionally, inclusion of an ADU in a higher valued home could provide an income stream to the current middle income owner that makes the home more affordable. However, the addition of an ADU may increase the overall value of the home, making it even less affordable upon resale. Therefore, ADUs could provide short-term middle income housing gains unlikely to be passed on to the next household to purchase the home.

- ***Suggestion:*** **The city should float a large bond to support deed restriction of housing for middle income households.**

  Staff Response: While there was interest in this tool from some working group members, some questioned its viability. Exploration of a large bond has been added to *I. Secondary Middle Income Housing Tools*, (item 6 under Preservation). While a large enough funding source, such as a large bond, for middle income housing could be transformative, numerous questions will need to answered, including, for example:

  1. Would there be voter support for such a bond? Past hotel and occupation tax proposals that would have yielded funding for low and moderate-income housing were defeated by voters.
  2. Housing Boulder outreach did not find support for the idea of funding middle income households.
  3. How much housing could such a bond support given the high price of market rate housing?
  4. How would the program be designed; deed restriction, shared equity?

  Some preliminary exploration is underway to answer these questions; however, with so many unknowns, this tool is listed as “secondary” rather than “key”.

- ***Suggestion:*** **Mobile home parks as a middle income housing strategy.** Include preservation and an increase in mobile home parks in the Middle Income Housing Strategy.

- ***Staff Response:*** Most residents of existing mobile home parks are low income. For example, the Orchard Grove Conservancy 2009 report found that three quarters of households in the park earned 50 percent or less of the Area Median Income (AMI) and at the Mapleton Mobile Home Park prior to the park being made permanently affordable, 89 percent of residents had incomes at or below 60 percent AMI. Therefore, the Middle Income Housing Strategy does not align with mobile home park-related issues and opportunities.

- ***Suggestion: Consider household assets as well as income.*** Income is only one aspect of what a household can afford to pay for housing. Assets should be factored in as well.

  Staff Response: The city homeownership program does factor in assets when determining household eligibility for affordable housing however, they complicate policy discussions. In addition, a variety of other factors also determine whether or not households can actually afford housing. Examples include, transportation costs, child and elder care costs, energy costs, and household debt. Generally, income and down payment availability provide an adequate picture of who may benefit from city programs sufficient for policy discussions.