CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 2, 2014

AGENDA TITLE: Consideration of a motion to approve the Comprehensive Housing Strategy (CHS) goals and provide direction on the next phase of public engagement, short term actions and opportunity sites.

PRESENTERS:
Jane Brautigam, City Manager
David Driskell, Interim Housing Director, Executive Director of Community Planning & Sustainability
Susan Richstone, Deputy Director, Community Planning & Sustainability
Jeffrey Yegian, Manager, Division of Housing
Lesli Ellis, Comprehensive Planning Manager, CP&S
Jay Sugnet, Project Manager, Comprehensive Housing Strategy

EXECUTIVE SUMMARY

This memo outlines the proposed next steps for the Comprehensive Housing Strategy (CHS) as outlined at the May 27 study session. As a result of the input heard both as part of the proposed code changes that were recently brought forward to Planning Board and general public input, staff is suggesting some refinements to the proposed process moving forward and seeking council direction as to whether conditions have changed since May 27 that suggest changes to the short term actions or the overall scope of the CHS.

The purpose of this agenda item is for Council to approve the project goals and provide direction on the following:

1. Phase II public involvement;
2. Short term actions; and
3. Palo Parkway opportunity site.

This meeting is a follow up from the May 27 Council Study Session where Council provided feedback on the following:

1. Foundations work (housing market analysis and research on why people make certain housing choices);

2. Initial draft project vision and goals; and
3. Suggested short term action items (i.e., policies and tools to pursue in the short term while longer term strategies are further developed and evaluated during the coming year) and housing opportunity sites.

Following the May 27 study session, staff moved forward with three of the short term actions discussed with City Council on May 27. Additionally, since May 27, some members of the community have voiced concerns about the CHS direction and process, as well as general concerns related to development trends.

STAFF RECOMMENDATION

Suggested Motion Language:
Staff recommends Council consideration of a motion adopting the Comprehensive Housing Strategy goals and direction on the following as detailed in the staff memorandum:

1. Working group process;
2. Short term actions (1:1 Unit Replacement, Targeted fix to ADUs, Targeted fix to cooperative housing): and
3. Palo Parkway opportunity site.

MEMO ORGANIZATION

I. Background
II. Boulder Valley Comprehensive Plan
III. Goals
IV. Project Phases
V. Approach to Phase II Community Outreach
VI. Short Term Actions
VII. Opportunity Sites
VIII. Next Steps

I. BACKGROUND

In 2013, Council recognized that the city's housing challenges require more than minor adjustments to current programs. City Council held a study session on February 13, facilitated by Charles Buki, and again on May 14 in 2013 to understand the current housing challenges and provide direction on the development of a comprehensive housing strategy. Prior to the May 27, 2014 City Council Study Session, the Planning Board provided input on the planning process, project goals, and short term actions on May 15.

The Comprehensive Housing Strategy (CHS) is a next generation housing policy framework, combined with an implementation toolkit, that will focus on:

1. Strengthening the city's affordable housing programs for low- and moderate-income households;
2. Expanding housing opportunities for middle-income households; and
3. Exploring innovative approaches to providing additional housing and a broader range of housing options, particularly for housing needs not being met by the market.

See Section III for the list of project goals.

The strategy will set forth a creative mix of policies, tools and resources to make progress on multiple fronts, in a manner consistent with the Boulder community's priorities, values and overarching sustainability framework. It will help inform and guide Council decisions on which policies and tools to pursue in the short, medium, and long term within the context of the broader housing strategy. ***The strategy will NOT adopt any specific proposals, but rather identify priorities that will need to be incorporated into the city's workplan.***

The CHS is envisioned as a "living document" that will guide ongoing work related to housing policies and programs. In other words, adoption of the strategy will not signal the end of the city's housing-focused discussions, but rather inform annual work program priorities aimed at continual monitoring, evaluation and action to strengthen and expand housing opportunities through a variety of tools and coordinated strategic initiatives.

In particular, it is anticipated that the Comprehensive Housing Strategy and other 2014 planning initiatives will inform key areas of focus in the 2015 update of the Boulder Valley Comprehensive Plan (BVCP). ***Any of the potential CHS recommendations not consistent with the current BVCP will need to be discussed in this larger effort.***

Staff is seeking council direction on:

1. Adopting the project goals;
2. Moving forward with the proposed working group process;
3. Moving forward with the short term actions; and
4. Moving forward with the approach to the Palo Parkway opportunity site.

II. BOULDER VALLEY COMPREHENSIVE PLAN

The Boulder Valley Comprehensive Plan (BVCP) is the community's overarching policy document that sets forth a vision for Boulder's physical development, guided by a commitment to social, economic and environmental sustainability. The plan is the overarching policy document that guides decisions related to growth and preservation of the Boulder Valley, and it informs decisions about the manner in which services are provided. Importantly, the form and shape of the city's physical development helps create and sustain the city's social fabric, supports livelihoods, and helps reduce and mitigate the environmental impacts of human activity.

Housing is the largest single land use in the city, and arguably the most critical building block of the city's neighborhoods and overall quality of life. It also represents one of the largest costs for Boulder households, and for many, their largest lifetime investment. Housing is personal, financial, and emotional.

Envisioning Boulder's housing future must therefore encompass a holistic view. While analyses of "numbers of units," "household incomes," "product types" and "market demand" (among many other factors), are essential to ensuring a successful strategy, these quantitative approaches must be guided by a values-based vision that's about creating community, sustaining diversity, protecting the environment and supporting human development.

Section 7 of the Boulder Valley Comprehensive Plan sets forth a number of important policies that help define the community's vision and values for housing and residential neighborhoods. Housing policies are also consistent with the plan's core values and sustainability framework set forth in the first section. The following summary highlights the vision that Boulder has for its housing future:

- Meet the housing needs of low- and moderate-income households;
- Increase the proportion of permanently affordable housing units to at least 10 percent of the existing housing stock;
- Encourage development for housing for populations with special needs;
- Strengthen partnerships and regional cooperation;
- Provide and maintain a mixture of housing types;
- Preserve and rehabilitate existing housing stock;
- Encourage housing for current and future households;
- Balance housing supply with employment base;
- Integrate permanently affordable units throughout community; and
- Minimize displacement of low-income populations during redevelopment.

Boulder Valley Comprehensive Plan 2015 Major Update

The CHS will be consistent with the BVCP or may inform aspects of its update in 2015. While many of the core BVCP policies have been in place since 1970, every five years the city and county update the plan to address changing needs and conditions in the community. The next major update process is scheduled to begin in 2015.

To gear up for the update, the Department of Community Planning and Sustainability is starting a plan review with consultants this fall and is preparing for a Joint Study Session with Planning Board and City Council on October 14**.** Following meetings with both city and county leadership, interviews and other outreach, and plan review, the consultant and staff will outline a proposed scope of work and 2015 update process, including prioritized topics. CHS topics related to housing growth and development and neighborhood amenities may be best addressed in the BVCP 2015 update; for instance, the goal to "create 15 minute neighborhoods."

III. GOALS

The following goals are intended to inspire and direct work on the Comprehensive Housing Strategy. The goals, once approved, will be used to guide the strategy development process and evaluate potential policies and tools. The goals should not be viewed individually, but rather as a comprehensive and coordinated approach toward achieving the overarching purpose of the project – to preserve and expand diverse, affordable housing choices in Boulder in a manner consistent with the community's social, economic and environmental sustainability principles.

For each goal, examples of how the goal might be advanced are provided in order to illustrate the types of policies or initiatives that might be considered. These examples are illustrative only, and are not comprehensive. The work of the coming months will involve consideration of specific strategies and tools in each area, engaging the community and stakeholders in determining what the priority areas for action should be in advancing each goal. Minor edits were made since May 27 based on Council and community input.

1. Strengthen Our Current Commitments

Reach or exceed Boulder's goals to serve very-low, low- and moderate-income households, including people with disabilities, special needs and the homeless.

Examples of how the CHS could advance this goal include:

- Establish a target date to achieve the current 10% goal of permanently affordable units
- Establish clear funding priorities to accomplish the goal
- Identify or create new policies or funding resources to accelerate progress

2. Maintain the Middle

Prevent further loss of Boulder's economic middle by preserving existing housing and providing greater variety of housing choices for middle-income families and for Boulder's workforce.

Examples of how the CHS could advance this goal include:

- Explore options to preserve the affordability of existing housing
- Facilitate the creation of relatively affordable attached townhomes and other higher density but family-supportive housing types through land use and zoning changes (to be addressed through the BVCP update)
- Identify opportunities for the city to support greater use of location-efficient mortgages to increase purchasing power
- Create a middle-income downpayment assistance or low interest financing program

3. Create Diverse Housing Choices in Every Neighborhood

Facilitate the creation of a variety of housing options in every part of the city, including existing single-family neighborhoods.

Examples of how the CHS could advance this goal include:

- Make it easier and more financially feasible to develop accessory dwelling units and owner accessory units (e.g., granny flats and carriage houses)
- Make it possible for groups of unrelated individuals (e.g., seniors, co-ops) to share housing (above current occupancy limits)
- Make it possible to create duplex units, small townhome developments and other appropriately scaled and contextually-fitting multi-unit housing in existing single-family neighborhoods
- Establish minimum density standards or alternative approaches to managing density to avoid creating new areas that offer only large, high priced single family homes.

4. Create 15-minute Neighborhoods

Foster mixed-income, mixed-use, highly walkable neighborhoods in amenity rich locations (e.g., close to transit, parks, open space and trails, employment, retail services, etc.).

Based on community input, Council may wish to address "15-minute neighborhoods" goal as part of the 2015 BVCP update.

Examples of how the CHS could advance this goal include:

- Identify areas for housing that is appropriate to the context and offers a variety of types and styles to meet Boulder's future housing needs
- Partner with nonprofit housing developers to create mixed income, mixed use developments on key opportunity sites
- Explore new tools to incentivize or require desired unit mixes, types or sizes, such as "benefit capture" provisions connected to property rezoning
- Establish a pattern book of desired housing outcomes, particularly for family-friendly higher density housing and for housing that meets special needs, linked to streamlined review processes

5. Strengthen Partnerships

Strengthen current partnerships and explore creative new public-private-partnerships to address our community's housing challenges (e.g., University of Colorado, private developers, financing entities, affordable housing providers, etc.)

Examples of how the CHS could advance this goal include:

- Work with CU to facilitate housing development in key locations (e.g. North of Boulder Creek, Williams Village, South Campus)
- Create a project development and facilitation role within the city
- Facilitate expansion of Boulder Housing Partners' role

6. Enable Aging in Place

Provide housing options for seniors of all abilities and incomes to remain in our community, with access to services and established support systems.

Examples of how the CHS could advance this goal include:

- Work with existing and new partners to meet the housing needs of seniors (appropriate housing choices and range of options)
- Strengthen and expand the community's support services for seniors
- Work with partners to meet the needs of people with disabilities and others with special needs

IV. PROJECT PHASES

In 2013, four phases were proposed to develop the strategy:

Phase 1: Foundations for Action. A housing market study was completed in 2013 as a first step to understand the city's housing market, both rental and homeownership, with a particular focus on housing opportunities for workers and low and middle income residents. Comparative data from surrounding communities is also provided where available (see the Boulder Housing Market Analysis). A housing choice survey and analysis was completed in early 2014 and provides data on residents' and in-commuters' housing preferences and needs (see the Boulder Housing Choice Survey and Analysis). Staff also prepared a memo for a May 27, 2014 City Council work session summarizing the results of the foundations work and background materials that led up to the launch of the Comprehensive Housing Strategy (see the May 27 memo). Key findings from the foundations work are below:

- Boulder rental market tight with record low vacancy rates (9.7% in 2003, 1.4% in Q1-Q3 of 2013)
- Shortage of rental units affordable to 50% Area Median Income ($31,500) doubled from 2006 (5,800 units to 10,000 units)
- Housing prices in city outpacing county and region – median sales price exceeded $600,000 in 2013
- City's inventory of permanently affordable rental units will continue to support lower income diversity
- Boulder housing products are consistent with Millennials' housing preferences (variety of housing types, mixed-use, walkable to amenities)
- Missing products for middle income beyond current inventory (evidenced in growth of higher-income families)
- Demand for Boulder living unlikely to drop— **expanded tool kit needed to maintain housing balance in Boulder.**

Phase 2: Strategic Direction. With a better understanding of key issues and informed by further discussion with partners, stakeholders and council, the process will identify key strategic priorities. Starting in spring, staff developed draft project goals based on Council discussion in 2013. Staff also drafted an initial list of potential policies of tools to address Boulder's housing challenges (see Draft List of Policies and Tools). New tools will be identified by stakeholders and research of best practices in other cities. The full list of policies and tools will be evaluated against the project goals. This "bang for your buck" analysis will emphasize what level of effort is necessary or which actions or combinations of actions are needed to achieve the project goals. Through community engagement, staff will identify community priorities for action.

An early draft strategy will be presented to City Council in late 2014 or early 2015. ***See Section V for more details on the Phase 2 proposed approach to community outreach.***

Phase 3: Strategic Action. Based on the council-approved Strategic Direction, the integrated staff team will develop a detailed work program and implementation schedule for short, medium and long-term actions.

Ongoing: Monitoring, Reflection and Action. As strategic priorities are acted upon, an ongoing process of monitoring outcomes and conditions, and engaging key partners and stakeholders, will help inform periodic discussions with council regarding next-step priorities and strategic course corrections.

V. APPROACH TO PHASE II COMMUNITY OUTREACH

As a next step, staff proposes forming five working groups to explore a range of solutions to Boulder's affordable housing challenges. ***Working groups are just one component of a larger public engagement strategy*** as shown in the updated project timeline (**Attachment C)**. These groups will be comprised of stakeholders who will be charged with exploring and evaluating the draft toolkit. In addition, it is expected the working groups will recommend new tools to develop a short list to be considered by the larger community. The topical areas are currently based on the project goals, and can be modified depending on Council's input on September 2.

Five Proposed Working Groups

1. Housing for low- and moderate-income households, including those with special needs and the homeless
2. Housing for middle-income households
3. Housing in single-family neighborhoods
4. Senior housing
5. University housing

Option to address as part of the 2015 Comprehensive Plan Discussion

6. 15-minute neighborhoods

<u>Opening symposium</u>

An opening community symposium with guest speakers to provide an outside perspective and inspiration will be held in October. The symposium will likely include one or more speakers to discuss current housing challenges, innovative tools being used by other cities, and how those tools may be applicable to Boulder. The event will kick off the working group process and provide a basis of understanding of the issues and offer ideas to stimulate creative thinking.

<u>Working groups</u>

Each group will commit to meet 2-3 times in October/November to review and evaluate potential policies and tools specific to their goal. The only exception is the University

working group. That group will be convened in late fall to have the benefit of discussions from the first four working groups. It will bring together traditional and non-traditional partners and stakeholders to discuss implementing specific CHS tools. Prior to the first meeting of each group, staff will provide common background information in the form of a concise data book to provide common grounding. Also, staff will draft background materials for each topic and describe current programs. A sample agenda for each meeting is below:

- Meeting 1 - ground rules, process overview, current policy overview, discussion of potential policies and tools and applicability to Boulder;
- Meeting 2 - continuation of potential policies and tools discussion, begin to evaluate policies and tools (bang for your buck);
- Meeting 3 - if needed, continue discussion of evaluating potential policies and tools.

At the end of the working group process, each group will prepare a summary of the key issues and identifying the most promising tools to address their specific area, ***not the final list of what would be in the strategy,*** but recommendations on the short list of items to be considered through a community prioritization exercise in late fall and early winter.

Closing symposium

A final symposium will be held in early winter to bring working groups together to share insights, findings, and to identify common ground. This will include an interactive panel discussion and small group discussions as way to present the work, identify interrelations, and engage the broader community in the conversation.

Community prioritization

The final step in Phase II is to share the working group and focus group results with the broader community and start to prioritize policies and tools. This "bang for your buck" exercise will analyze potential policies and tools against the project goals. This is intended to highlight what level of effort is necessary or which actions or combinations of actions are needed to achieve the project goals. Depending on the outcomes of the working group process, various engagement activities will be employed, including Inspire Boulder, CHS website, monthly email updates, community forums, meetings with city boards and stakeholders, media releases, and other opportunities for multi-way communications with stakeholders that is innovative, creative, accessible, and fun.

15-Minute Neighborhood Goal

Based on feedback from the community, the "15-minute neighborhoods" goal may be more appropriately addressed as part of the 2015 BVCP update. The update will address the integration of housing, transportation, amenities, and a number of other aspects related to creating neighborhoods that are broader than addressing housing issues, which is the focus of the CHS.

Working Group Structure

- 6-8 members per working group
- Members are appointed by City Manager

- Members can serve on only one working group
- No minutes – meeting notes are taken on a chart pack and a picture is posted online
- Meetings will be publicized and open to the public, but discussion will focus on members

Selection Process

Working group membership will be open to anyone who lives or works in Boulder. Members will be selected to ensure geographic, demographic, and professional diversity. In addition, preference will be given to people with personal or professional experience related to the working group topic and a demonstrated ability to collaborate and seek solutions in a group setting. Interested people not selected are encouraged to attend the working group meetings and participate in the symposiums.

Staff is using the following avenues to solicit potential working group members:

- The project website (www.bouldercolorado.gov/chs).
- Inspire Boulder (mind-mixer) which directs people to the project website.
- Suggestions from staff and partners (CP&S, Housing, Human Services, Economic Vitality Program, BHP, etc.).
- Contacting persons that submitted testimony to Planning Board and City Council.
- Contacting persons that signed up at the May CHS open house to be on the project mailing list. The open house was advertised in the Daily Camera and the city issued a media release.

The CHS project has been well represented in the media over the past six months, building the project mailing list to over 150 people.

Staff will provide an update on the selection process on September 2. Following the September 2 meeting, the City Manager will send out invitations to working group participants.

VI. SHORT TERM ACTIONS

At its January 2014 retreat, City Council requested that staff identify and propose some "early wins" that could help improve conditions even as more significant policy work is undertaken in the coming months and year. At the May 27 City Council Study Session, staff identified five short term actions and included the criteria used to select them.

The first three short term actions include:

1. **Concept Plan City Council review**;

   Would allow City Council to provide input on significant proposals earlier in the development review process. *Planning Board recommended (6-0) to approve this*

proposal and it is scheduled for first reading on September 2 and for second reading and a public hearing on September 16.

2. **Special occupancy standards for seniors**;

   Would allow up to 6 persons aged 62 or older to share a single family house in the RR (Rural Residential), RE (Residential Estate) and RL (Residential Low) zones. Planning Board recommended an additional provision to allow up to 10 persons in the RR and RE zones with an owner occupancy requirement. *Planning Board recommended (6-0) to approve this proposal and it is scheduled for first reading on September 2 and for second reading and a public hearing on September 16.*

3. **Right-of-way (ROW) and density calculation ordinance**

   Would allow calculation of the gross site area prior to dedication in determining the maximum number of units that might be achieved through the Site Review process so that properties would be treated equally (some are required to dedicate ROW and others are not). ***Planning Board recommended (4-2) to deny this proposal on August 7and staff is not planning to forward this item to Council for consideration.***

On May 27, staff proposed to begin working on the next three short term actions after the completion of the first group of actions. In light of the issues that surfaced during the process for the three action items above, staff believes that the efforts involved in proceeding with the next three items will be more than originally planned. This includes both the community engagement that will be needed as well as some of the analysis.

Therefore, staff would like Council to review and confirm whether staff should move forward with these during the next few months.

4. **1-to-1 unit replacement ordinance for 100% permanently affordable**;

   Would enable partner owned housing projects to rebuild to the number of units currently existing on the site. Due to a zone change after the units were built, rehabilitating or redeveloping the site would reduce the total number of permanently affordable units.

5. **Targeted modifications to Accessory Dwelling Units**;

   Would repeal one or more of the current restrictions to encourage this housing type (no more than 10% ADUs in a specified area, removing the parking requirement, and the neighborhood notice requirement).

6. **Targeted modifications to cooperative housing** (added by Council on May 27).

   Would repeal one or more of the current restrictions to encourage this housing type (requirements for homeownership, minimum habitable space, EcoPasses, off-street parking, and the six person occupancy limit).

See **Attachment A** for a more detailed description of the six short term actions.

VII. OPPORTUNITY SITES

At the 2014 retreat, City Council requested staff identify opportunity sites for housing. These are specific parcels where the city could help facilitate the construction of much needed affordable housing in the near term. On May 27, staff presented two sites that are city owned. The first, Palo Parkway is discussed below. The second, 30th & Pearl, will return to Council in the fall or winter with an update on Pollard Motor's lease and a timeline for future discussions related to the site.

4525 Palo Parkway

The city-owned Palo Parkway site has been intended for mixed income housing since its purchase in 2006. Moving ahead with a plan for housing on the 3.2 acre site could facilitate needed middle-income housing in the near term. If Council consents to transferring ownership of the parcel, staff will work closely with Boulder Housing Partners (BHP) to craft a detailed public engagement process that can provide input for a program that meets the goals of the Comprehensive Housing Strategy.

In 2006, the city purchased 4525 Palo Parkway from the Boulder Valley School District with the goal of developing mixed income housing. In 2013, BHP, in partnership with Habitat for Humanity, created a conceptual proposal to develop the site. The concept is to develop 35 one, two and three bedroom affordable rental units and nine affordable homeownership units in a plan similar in scale and design to BHP's Red Oak Park. The site plan and density reflect the established character and development patterns in the area.

The site is in Area II. Because it has contiguity with Area I land, it is eligible for annexation. The annexation process could occur concurrently with the Concept Plan and Site Review process.

Land Use Designation:	Area II, Medium Density Residential
Zoning:	Zoning would be established at annexation
Parcel Size:	3.2 acres
Potential new units:	A maximum of 44, based on BVCP Land Use Designation
Process:	Annexation and Site Review

Staff proposes the following initial steps for Palo Parkway:

1. Continue to work with BHP to draft a set of desired outcomes for the development of the property that advance the CHS goals and provide for collaborative community engagement;
2. Return to City Council with the draft set of desired outcomes for Council and community input as part of a motion to transfer ownership of the land to BHP;
3. BHP and city staff will engage the community in creating a development program for the site prior to annexation; and
4. Council action on annexation.

Staff is requesting that council provide direction on September 2 as to whether it supports moving forward as outlined above.

See **Attachment B** for a more detailed project process and initial draft goals for Palo Parkway.

VIII. NEXT STEPS

September: Recruitment for working groups, Toolkit development

October: Opening Symposium

October – November: Working Group Meetings

November: Closing Symposium

December: City Council Study Session

Winter: City Council update on 30th & Pearl

Spring 2015: Council acceptance of the Comprehensive Housing Strategy

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

IX. ATTACHMENTS

A. Short Term Actions
B. Draft Process Proposal for Palo Parkway
C. Updated Project Timeline

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Comprehensive Housing Strategy
Short Term Actions

A central tenet of the Comprehensive Housing Strategy (CHS) initiative is to embrace the need for ongoing attention and action related to Boulder's affordable housing challenges. To that end, Council requested that staff identify and propose some "early wins" that could help improve conditions even as more significant policy work is undertaken in the coming months and year.

Evaluation criteria used to identify potential short term actions included:

1) Meets one or more of the three project focus area subjects:
   a) Strengthening the city's affordable housing programs for low- and moderate-income households;
   b) Expanding housing opportunities for middle-income households;
   c) Exploring innovative approaches to providing additional housing and a broader range of housing options;
2) Generally consistent with existing polices or existing conditions (i.e., it helps improve application of existing policies, rather than represent a significant departure);
3) Can be accommodated in the existing work plan with existing resources (i.e., the scope is fairly narrow, and can be kept so, so that the "win" can be achieved in the near-term); and
4) The specifics of the issue are largely known (i.e., does not require extensive research or data analysis).

Following is a summary of the short term actions, including a brief description, required resources to accomplish it and estimates on timing.

On May 27, staff proposed to begin working on the next three short term actions after the completion of the first three actions. In light of the issues that surfaced during the process for the first three action items, staff believes that the efforts involved in proceeding with the next three items will be more than originally planned. This includes both the community engagement that will be needed as well as some of the analysis. Therefore, staff would like council to review and confirm whether staff should move forward with these during the next few months.

1. Right-of-way (ROW) and density calculation ordinance

What is it? In areas of the city subject to adopted area plans or transportation network plans, the city has identified new public streets and connections needed to realize more gridded, interconnected neighborhoods where present conditions are more large lot and suburban. These connections are typically obtained through redevelopment of sites through the Site Review process. Under current land use code restrictions, the number of dwelling units allowed is calculated after ROW dedications are subtracted from the land area of sites, which reduces the number of overall units. This scenario in some cases significantly reduces the number of units to the extent that redevelopment becomes less feasible due to multiple dedications, and creates situations in which two community benefits (desired new housing units, and improved connectivity) are placed in competition with each other. The modification will allow calculation of the gross site area prior to dedication in determining the maximum number of units that might be achieved through the Site Review process. Importantly, the Site Review criteria and other

regulatory controls that ensure context sensitive outcomes would remain in place (e.g., setbacks, height controls, BVCP land use densities, etc.). This code change would, however, remove an impediment to achieving housing in areas of redevelopment.

Where applied? Areas where there are adopted area and transportation network plans.

Required resources? Accomplished within existing city resources.

Estimates on timing: Planning Board approved on May 1; Council first reading on May 20; Planning Board reconsideration on August 7; ***Planning Board recommended (4-2) to deny this proposal on August 7and staff is not planning to forward this item to Council for consideration.***

Issues: Planning Board expressed a desire to also look at how open space requirements are used to control housing density as part of a future code update effort. This issue has also been identified by staff previously, but is seen as a more substantial work effort.

2. Concept Plan City Council review

What is it? At the 2014 retreat, City Council indicated a desire to help shape key projects early in the process. This would allow City Council to weigh in early on Concept Reviews (after Planning Board review and comment) as a method to inform the design and configuration of large scale, complicated proposals and help property owners gain a higher level of confidence in determining whether their proposals are consistent with city goals and policies.

Where applied? In the near term, specific projects could include 2100 30th St., the car dealership between Pearl and Walnut, where a Concept Plan has been submitted proposing re-zoning from BR-1 to MU-4 to provide a greater number of residential units; and the Hogan Pancost property near the East Boulder Community Center, for which the owner is expected to submit a new Concept Plan in the coming months.

Required resources? Accomplished within existing city resources.

Estimates on timing: Planning Board vote to approve on July 31; Council first reading on September 2; Council second reading on September 16.

Issues: Would potentially increase Council and staff work load and number of applications for City Council to consider, with additional memorandums and presentations to City Council for those proposals that are actually called up. The staff proposal is available here.

3. Senior housing in single family neighborhoods

What is it? The number of seniors is expected to double between now and 2028 to approximately 30,000. In partial response to this trend, senior advocates have identified a need for a housing model that allows multiple, unrelated seniors to share a single family home in a single family neighborhood. The idea is for six to eight older adults to share a large house, companionship, and living costs. A concierge service could provide many basic needs, but one model includes a live-in caregiver as one of the six to eight residents.

Where applied? RR, RE and RL zones.

Required resources? May require additional city resources.

Estimates on timing: Planning Board voted to approve on July 31; Council first reading on September 2; Council second reading on September 16.

Issues: Although a process exists currently to raise the occupancy limits for group home facilities, this type of use requires custodial care and treatment in a protective living environment to the handicapped or aged person (60 years or older). Staff proposed a senior shared housing option to allow up to 6 seniors (62 years or older) to share a single-family home in the RR (Rural Residential), RE (Residential Estate) and RL (Residential Low) zones. At the July 31 meeting, Planning Board recommended an additional provision to allow up to 10 persons in the RR and RE zones with an owner occupancy requirement.

4. 1-to-1 unit replacement ordinance for 100% permanently affordable

What is it? Many affordable housing developments in Boulder were built prior to existing zoning districts. As a result, these developments have more residential dwelling units than the current zoning districts allow. There are an estimated 21 affected projects that are unable to rebuild to the number of units currently existing on the site. In order to retain the total number of units in these developments, nonprofit organizations have been incrementally rehabbing these properties, with funding assistance from the city's Division of Housing in the form of CDBG, HOME and Affordable Housing funds. The incremental approach is often more expensive than demolishing the existing buildings and developing new projects. Boulder Housing Partners owns the majority of affected properties, but Thistle and Boulder Housing Coalition also have properties.

Where applied? The ordinance would apply only to existing affordable properties that are nonconforming.

Required resources? Accomplished within existing city resources.

Estimates on timing: Council consideration in Winter 2014-2015.

Issues: None identified.

5. Targeted modifications to ADU/OAU

What is it? The intent of the Accessory Dwelling Unit (ADU)/Owner's Accessory Unit (OAU) ordinance was to enable the cost-effective and efficient use of existing single family homes in Boulder. In particular it was hoped that ADU's would offer supplemental income and possibly services to older residents and to single parent households, allowing them to stay in their homes. The resulting units are small, inherently more affordable due to size, and provide additional housing choice and opportunity within existing single family neighborhoods, though typically only attractive or available to one or two person households.

Where applied? To be determined.

Required resources? Depending on the scale of the project, may require additional city resources. Based on feedback from Planning Board and community members during the first round of early wins, additional community engagement may be necessary.

Estimates on timing: Council consideration in Winter 2014-2015, depending on the appropriate level of community engagement.

Issues: ADUs and OAUs have a long and complicated history in Boulder that will be documented as part of developing the strategy. The existing ordinance has numerous restrictions on the construction of ADUs. Options include repealing one or more of the current restrictions to encourage this housing type. Of the existing barriers, three that could be accomplished within

existing resources are removing the concentration restrictions (no more than 10% ADUs in a specified area), removing the parking requirement, and the neighborhood notice requirement. Currently, there are six people on the waiting list to build and ADU/OAU, but are restricted by the concentration restriction. Parking is a common concern, but providing an off-street parking space is a significant barrier considering that the occupancy limits for unrelated people are the same for a home with or without an ADU/OAU. Finally, the requirement for notice creates expectations with neighbors that it is a discretionary review process when it is not. ADU/OAUs are allowed by right.

6. Targeted modifications to Cooperative Housing

What is it? A housing cooperative (or coop) is a community of unrelated people who share a dwelling and operate as a single housekeeping unit. Coop members usually pool resources to purchase food together and jointly pay for other household expenses. Frequent shared group meals and an explicit system facilitating the division of household responsibilities are also common. Coops usually hold regularly scheduled house meetings where decisions affecting the entire household are made, and members are held accountable for their responsibilities to the community. Coops frequently use consensus or other egalitarian decision making processes. Cooperative households typically need to have 10 or more members to function.

Where applied? To be determined.

Required resources? Depending on the scale of the project, may require additional city resources. Based on feedback from Planning Board and community members during the first round of short term actions, additional community engagement may be necessary.

Estimates on timing: Council consideration in Winter 2014-2015, depending on the appropriate level of community engagement.

Issues: Currently, Cooperative Housing is a conditional land use and the current ordinance has not produced any coops since its creation. Options include removing one or more of the requirements in the ordinance. For example, the current ordinance only applies to homeownership cooperatives, requires a minimum of 300 square feet of habitable space per resident, requires that every coop member have an EcoPass, limits occupancy to 6 unrelated residents, requires off-street parking, and may revoke the permit for a noise or weed violation. Another option is to remove one or more of the above restrictions only for cooperative housing that is wholly owned by its residents and/or a non-profit, such as the Boulder Housing Coalition.

Draft Process Proposal
4525 Palo Parkway

This draft process proposal can be the basis of an agreement between the city's Interim Housing Director and Boulder Housing Partner's Executive Director.

SUMMARY

The city-owned Palo Parkway site has been intended for mixed income housing since its purchase in 2006. Moving ahead with a plan for housing on the 3.2 acre site could facilitate needed middle-income housing in the near term. If Council consents to transferring ownership of the parcel, staff will work closely with Boulder Housing Partners to craft a detailed public engagement process that can provide input for a program that meets the goals of the Comprehensive Housing Strategy.

In 2006, the city purchased 4525 Palo Parkway from the Boulder Valley School District with the goal of developing mixed income housing. In 2013, Boulder Housing Partners (BHP), in partnership with Habitat for Humanity, created a conceptual proposal to develop the site. The concept is to develop 35 one, two and three bedroom affordable rental units and nine affordable homeownership units in a plan similar in scale and design to BHP's Red Oak Park. The site plan and density reflect the established character and development patterns in the area.

Staff proposes the following initial steps for Palo Parkway:

1. ***Continue to work with Boulder Housing Partners to draft a set of desired outcomes for the development of the property that advance the CHS goals and provide for collaborative community engagement;***
2. ***Return to City Council with a draft set of desired outcomes and an approach for community engagement as part of a motion to transfer ownership of the land to BHP;***
3. ***BHP and city staff will engage the community in creating a development program for the site prior to annexation; and***
4. ***Council action on annexation.***

BACKGROUND

The property is located at the eastern end of Palo Parkway and roughly northwest of the Pleasant View Soccer Fields. The property is located in the county, in Area IIA of the Boulder Valley Comprehensive Plan. It is vacant and has a medium density residential land use designation. The northern portion of the property is located within the Four Mile Canyon Creek drainage basin and as a result, approximately 23% of the 3.216 acre site will remain undeveloped. It is anticipated that the property will be developed as a mixed-income, mixed-unit type residential project with an emphasis on family housing. It is also possible that the Parks and Recreation Department might be interested in having the undevelopable portion dedicated as park land in order to expand the existing Palo East Park.

The site is in Area II. Because it has contiguity with Area I land, it is eligible for annexation.

Land Use Designation:	Area II, Medium Density Residential
Zoning:	Not Applicable (zoning would be established at annexation)
Parcel Size:	3.2 acres
Potential new units:	A maximum of 44, based on BVCP Land Use Designation
Process:	Annexation and Site Review

In 2006, city staff initially proposed a mixed-income housing development to be executed through a Request-for-Proposals process. Staff also proposed to take the property through the annexation and initial zoning process. Simultaneous with preparing for the annexation, staff also proposed to conduct a public process to identify and encourage development partners as well as hold neighborhood meetings to discuss development options. City staff no longer recommends this process for the following reasons:

- The 2006 approach is staff intensive and currently there is not capacity to take the property through annexation and lead the necessary public engagement.
- The additional resources required means more time on the part of the city and will result in Palo Parkway not being an early opportunity site for CHS. Boulder Housing Partners has the capacity and the experience to ensure a successful project.

FUNDING SOURCES

Acquisition funding for the Palo Parkway site was approved as part of the 2006 fund round. Other sources of funding included Inclusionary Housing Cash-in-Lieu funds, a Fannie Mae line of credit, and 2007 Affordable Housing Funds. No general fund appropriation was required for this acquisition.

HISTORY OF ACQUISITION

The property has a medium density residential land use designation, and was originally included in the public process for the Northfield Commons and Vojta Farms development. Initially, city staff discussed with BVSD staff the options for creating BVSD faculty and staff housing at the site. Eventually, BVSD decided that this was not something it wished to pursue and began instead to look at selling the site. None of these discussions resulted in a contract to sell the property for reasons unknown to city staff as city staff were not involved in those discussions. No development proposals were submitted to the city during this time by potential purchasers.

Towards the end of 2005, BVSD staff contacted city staff to determine if the city would be interested in purchasing the property for residential development. It was agreed that the price would be based upon a March, 2004 appraised value of $1,250,000, in recognition of the city's intent to produce an affordable housing development.

ANNEXATION REQUIREMENTS

Given the medium density BVCP land use designation, which has a density range of 6 to 14 units per acre, the initial zoning request will be one of the medium density residential zones. Per BVCP policy, additions of residential land with development potential to the service area must provide the community a special opportunity or benefit. Usually, with residential

properties this means between 40% and 60% permanently affordable housing to low, moderate and middle-income households. The Northfield Commons and Vojta Farms developments (approximately 39 acres combined) are providing 45% permanently affordable housing in addition to two one-acre parks to meet the community benefit standard. See below for an estimated timeline for annexation.

CONCLUSION

Developing the Palo Parkway site as mixed-income housing is an opportunity to facilitate the construction of needed affordable housing in the near term. If Council consents to transferring ownership of the parcel, staff will work closely with Boulder Housing Partners to develop a detailed public process and create a development program that meets the goals of the Comprehensive Housing Strategy while engaging the community in a meaningful public process.

DRAFT PROJECT GOALS

The city expects to work closely with Boulder Housing Partners to assist in concept planning, engage the community, and develop options for the site. Through an open and transparent process, the city and BHP will present options that are consistent with the Boulder Valley Comprehensive Plan and the Comprehensive Housing Strategy goals.

- Financially viable and sustainable project;
- At least 50% of the total units as permanently affordable;
- Concept and site planning through a collaborative public process;
- A range of affordability from very low to middle income;
- Housing designs suitable for families;
- Housing design that includes energy efficiency and green building options;
- Community outreach and site design process that involves traditionally underserved members of the community such as seniors, disabled, single parents, immigrants, or youth; and
- Collaborative public process for the annexation and development design and approval.

EXPECTED SERVICES FROM BHP

The city expects Boulder Housing Partners to provide project related services from a design and development team that includes community or public process, architectural, civil engineering, landscaping, estimating and construction services.

A. Work with city staff and members of the community to design a financially viable and socially sustainable mixed-income, permanently affordable housing project including but not limited to the following:

1. Neighborhood open houses and meetings:
   a. Dreams and fears for the site to put together a preliminary site plan that may be similar or quite different than as originally proposed;
   b. Individual and small group meetings as needed;

c. Options review at an Open House;
d. Planning Board and City Council hearings;

2. Monthly opportunities to address the BHP Board of Commissioners on the proposed plan;
3. Inclusion of minutes/comments from those meetings in applications and reports to the City, Planning Board and City Council;
4. Website updates including copies of plans, reports, applications, etc;
5. Email updates or notices on a regular basis to interested people who sign up online or at meetings; and
6. Close cooperation with the Housing Division and the Parks Department to be responsive to neighborhood wide concerns such as parking and look for ways to address those in the plan.

B. Develop and manage the design and public process meetings, where the project design and public process serves a specific, underserved segment of the community in need of affordable housing.

C. Estimate pricing, quality and build-time for a range of construction methods in order to determine the most cost-effective and sustainable method for this project.

D. Prepare and submit the required city development review applications, including without limitation, annexation request, Concept Plan, Site Review, Technical Documents and building permits.

E. Prepare and complete all detailed design work, including estimates and construction drawings for the final, approved project.

F. Manage and supervise construction of the project through certificate of occupancy for each of the units or completion of warranty work, whichever is longer.

Draft Timeline for Palo Parkway

September – November 2014

- City Interim Housing Director and Boulder Housing Partners Executive Director agree on project goals and community engagement strategy
- City Manager asks Council for a motion to dispose of city property

December 2014 – March 2015

- Implementation of community engagement process;

April 2015 – October 2015

- Application for annexation and Concept Plan review (a traffic study will be required)

- Planning Board meeting review of Concept Plan and proposed annexation and draft annexation agreement
- City Council first reading
- City Council second reading
- Submit application for Site Review and Subdivision

2016

- Applications for funding
- Site Review approval finalized
- Final review of Technical Documents and Subdivision approval
- Groundbreaking ceremony in summer

2017

- Grand opening in spring

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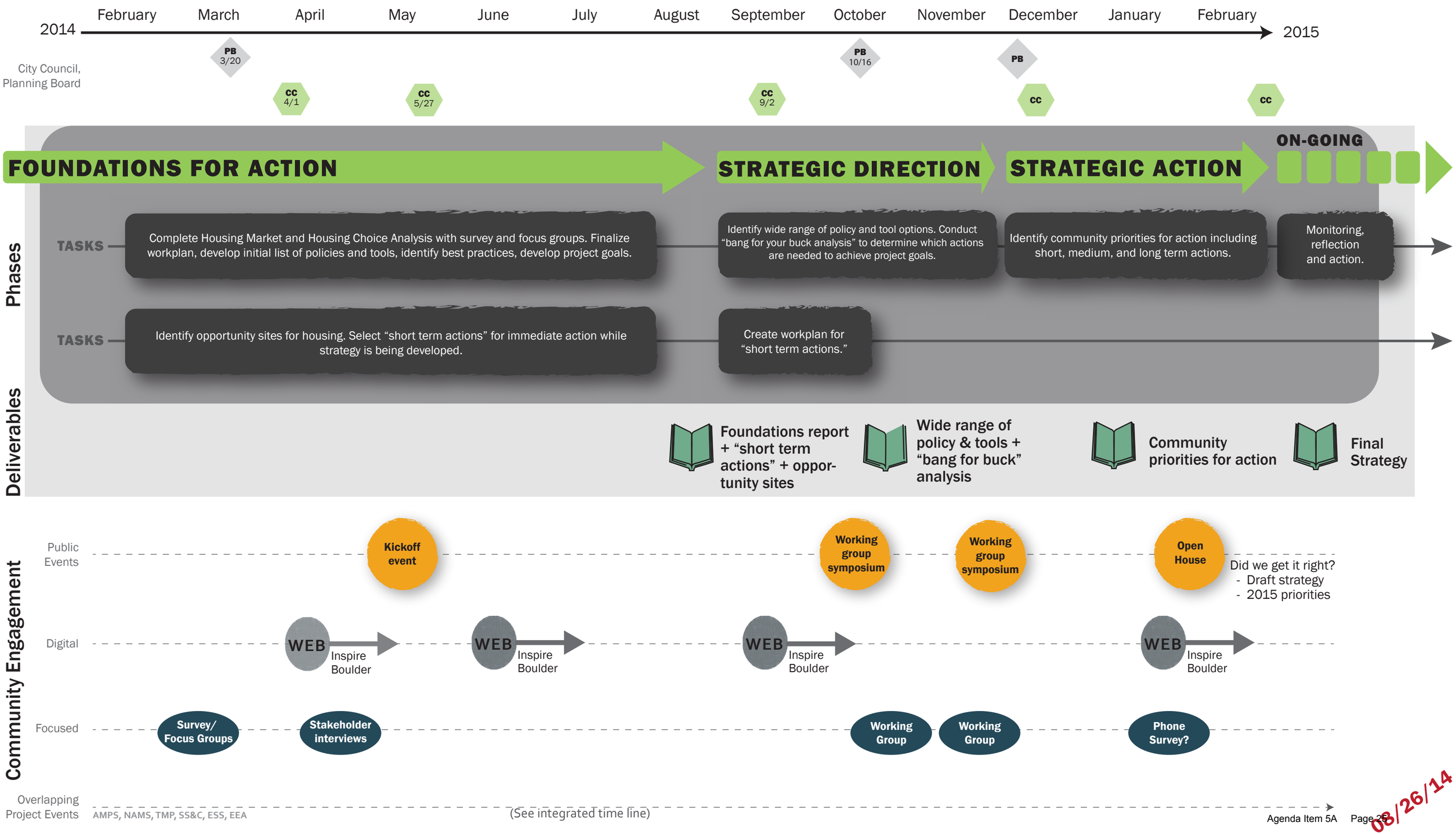
Comprehensive Housing Strategy Timeline



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