

Choices for AFFORDABLE AND DIVERSE HOUSING

How should the plan's policies and/or land use plan be adjusted to better achieve housing goals and encourage diverse housing types appropriate to different parts of Boulder?

What do the **current plan and programs** support?

- A “diversity of housing types and price ranges” is a core value of the plan (p. 9).
- The Built Environment section includes policies about character areas, neighborhood preservation, compatibility, and mix of complementary uses (p. 28).
- The Housing section (p. 49) includes goals and policies supporting affordable (low and moderate) housing, partnerships, choices, diversity, growth and community housing goals.
- the Housing program has a goal to create 450 permanently affordable middle-income housing units (107 are currently built) and to create 10% of all housing units to serve low and moderate income households (currently 7.3%).
- The Land Use designation map identifies desired locations, densities and types of housing planned for Boulder.



Inclusionary Housing Requirements

- The Land Use Code requires at least 20 percent of the units in any development containing five or more dwelling units be required as permanently affordable for very low to moderate incomes.
- The primary objective is to achieve on site affordable housing when development occurs.
- Rental developments do not have a minimum onsite requirement, and many projects in recent years have provided affordable housing off site. There is alternative compliance.
- Annexations require roughly half of all residential units to be affordable to low, moderate and middle income households.

What can the **current plan** accommodate?

The city's 2040 housing projections suggest that the current land use and capacity trends combined with continuing increase in housing prices will lead to continued loss of affordable middle income housing options in Boulder. Remaining available capacity for housing is generally located along corridors, downtown, and in mixed use areas. Most new housing will not be built in neighborhoods. In addition, attached products have trended toward rental apartments, and not for-sale units; the amenities and style of many recent multi-unit buildings have been oriented toward single or younger professional rather than families (e.g., do not have playgrounds or have limited green space). Modifying the land use descriptions or land use mix can help encourage new housing types that can meet the housing goals of the community.

What have we **learned** from the **Housing Boulder Project, Trends Report and Forecasts?**

The Housing Boulder project has been exploring a variety of programmatic and funding tools and has led to completion of items or significant milestones. Since adoption of Boulder's 1999 Housing Strategy, the community has made significant progress toward achieving the city's adopted housing goals, resulting in thousands of permanently affordable housing units for low and moderate income households and placing Boulder in the forefront of housing policy and action nationwide. However, Boulder's housing market continues to be strong, and housing affordability challenges have continued to grow, particularly during the recent economic recovery.

The Housing Boulder project has been exploring a variety of tools to achieve affordable housing. To date, discussion has generally held that Boulder will need a variety of strategies to address housing affordability, including land use changes to address the limited "supply" along with other interventions and approaches to provide additional affordable housing choices. The *Housing Boulder Action Plan for 2015/16* (approved by City Council in September 2015) identified a few questions and tools to explore through the BVCP, including any potential land use or policy changes that might help support the housing goals. BBC Research and Consulting has also prepared a *Middle Income Housing Study* that provides research on Boulder's challenges related to providing housing for middle income households.

What did the **Middle Income Housing Study** find?

Below are the key findings of the study (available at www.HousingBoulder.net):

- 1) The share of Boulder's middle income households has declined 6% since 1989, offset by an increase in high income households.
- 2) Middle income households can afford 99% of city's rentals, but only 67% of attached homes and 17% of detached homes for sale in 2015
- 3) Attached homes maintain affordability over time better than detached homes.
- 4) Attached units maintain a lower price even in high demand areas in Boulder.
- 5) Rentals remain affordable to middle income households and provide the best opportunity for middle income households to live in Boulder.
- 6) Purchasing an attached unit is less expensive than renting at market rates.

Housing Market Analysis and Housing Choice Survey (BBC)

In 2013, BBC Research and Consulting completed a market analysis and in 2014 surveyed over 3,000 Boulder Valley residents. Below are some key findings. Where possible, numbers have been updated to 2015.

- 1) Boulder rental market is very tight, with record low vacancy rates (9.7% in 2003, 1.6% in 2013, and 4.4% in 2015).
- 2) Housing prices in Boulder continue to outpace the county and region – median detached home sales price exceeded \$750,000 in 2015. Housing prices have risen 31% in the past two years alone.
- 3) The city's inventory of permanently affordable rental units has helped preserve some lower income diversity.
- 4) Recent trends in some of the housing products being created in Boulder are consistent with shifting market demand towards smaller units, mixed-use, and walkable neighborhoods with high transit access.
- 5) Demand for housing in Boulder is likely to continue – an expanded toolkit of policies and programs is needed if the city wishes to maintain a mix of households and incomes in Boulder.

What are people saying about affordable housing and housing types and design?

The BVCP survey and focus group results conveyed interest in affordable housing, and contained multiple comments about the increasing challenge for middle income people to be able to afford Boulder – whether they are existing residents, or potential buyers and renters feeling squeezed because of rising prices, property taxes, or changing neighborhood character. Results showed:

1. Of the top three community values in greatest need of attention, “A diversity of housing types and price ranges” ranked as first priority (63 percent of people selected it as a first choice).
2. On housing growth rates, most selected the current system of limiting housing growth rate (43 percent) vs. 26 percent who would rather not limit the rate of growth or 15 percent who would rather reduce the rate of potential housing growth.
3. For new development, permanently affordable housing was identified as the most important community benefit requirement (47 percent selected as a top three priority).

Open-ended questions and focus group summaries provided more nuanced responses.

- Affordability and inclusivity were recurring themes.
- New housing should be affordable and fit neighborhood character (not big and bulky).
- Perceptions of neighborhoods changing (for the worse) included new “big” houses changing the physical character and social mix of the neighborhood.
- New housing should be more family- and age-friendly and have lasting value. The four story rental housing being built seems to appeal to younger or single people (e.g., fire pits instead of playgrounds or gardens).
- Design and quality of units, especially larger units, is important.
- Continue to limit housing growth rates (certain types especially, such as high end), while providing more affordable options.
- Reduce costs and incentivize homes with smaller footprints (e.g., less than 1,200 square feet).
- Housing and neighborhoods also need parks, services, and transit.

What are some **land use housing choices** to explore (and possible tradeoffs)?

The following choices will be explored as part of the BVCP project:

- A. Should the land use plan and policies be adjusted to allow diverse affordable housing within existing industrial and mixed areas in the city, including:
- Convert some underutilized industrial areas to residential designations on the Land Use Map (e.g., east part of Boulder along Arapahoe Ave.).
 - Incentivize the integration of housing as part of existing industrial areas while keeping industrial and business areas intact (e.g., infilling existing surface lots with housing).
 - Encourage redevelopment of existing single use industrial/office buildings in exchange for new, vertically mixed development that includes employment, housing, and other complementary uses.

Considerations and Tradeoffs:

The change could...

- Increase opportunities for the development of diverse housing outside established neighborhoods.
- Create opportunities for new housing development close to existing employment areas and/or transportation corridors, potentially reducing the travel distance between residents and employment places.
- Allow specialized new types of housing (such as senior housing) near existing services (e.g., Boulder Community Health).

However, it could...

- Displace or price out existing service commercial uses/employment.
- Reduce potential for additional jobs (contrary to survey preference to maintain or increase job potential).

- B. Should plans and policies expand the range of housing types (e.g., micro units, townhomes, accessory units, triplexes) that are either allowed or incentivized in certain locations (e.g., Regional Activity Centers, Neighborhood Centers, Corridors, and Industrial/Innovation Areas) to address affordable housing needs. *(Note: See the posters with housing prototypes.)*

Considerations and Tradeoffs:

The change could...

- Allow the city to be more targeted in the types of housing it encourages, focusing specifically on those that are affordable - or maintain affordability - for middle-income households.

However, it could...

- Introduce additional housing types, potentially altering the character of the city overall, or in certain areas.
- Not necessarily match people's preferences (i.e., people currently living in Boulder or working and looking for housing) with new housing units built in Opportunity Areas or types of tenure (i.e., for rent or sale).
- Not necessarily ensure affordable housing without other housing tools to fund and subsidize it.

- C. Tied to community benefits, should the city allow more intensity than what is currently allowed in certain locations (e.g., Regional Activity Centers, Neighborhood Centers, Corridors, and Industrial/Innovation Areas – not neighborhoods)?

Potential benefits could include:

1. Provision of permanently affordable housing for low, moderate, and middle households in excess of the 20% already required.
2. Protection of views and provision of open space, and recreation spaces.
3. Higher quality building design
4. Provision of new infrastructure such as intersection improvements and bike paths.
5. New energy efficiency and renewable resources (i.e., exceed energy building standards).
6. Accessible and useable public spaces, plazas, courtyards, seating, and art.
7. Other benefits.

Considerations and Tradeoffs:

The change could...

- Allow the community/city to receive benefits or amenities that they might not otherwise receive (including affordable housing).
- Help mitigate impacts of greater intensity above and beyond what the city would typically allow.

However, it could...

- Make some in community feel character would be compromised by intensity or other impacts.

- D. Should the city establish new residential transition requirements for different contexts within the city (e.g., where Opportunity Areas abut single-family neighborhoods, open space, other lower intensity uses) to protect the character of established neighborhoods and adjacent open spaces? (*Note: urban design chapter will include recommendations for new urban design illustrations and principles.*)

Considerations and Tradeoffs:

The change could...

- Manage the way new development is organized on a site and mitigate impacts to nearby neighbors.
- Allow for new housing (if development in transition areas is non-residential or mixed-use) along corridors.
- Create potential for better 15-minute neighborhoods.

However, it could...

- Limit development/redevelopment flexibility on certain sites.
- Not necessarily prevent new development from occurring near established neighborhoods or open spaces.

- E. Should the city encourage “gentle infill” in neighborhoods? “Gentle infill” is an approach to allow new housing types such as tiny homes, accessory units, subdivided larger homes, and smaller homes tucked around existing houses.

Considerations and Tradeoffs:

The change could...

- Allow greater diversity of housing within neighborhoods suited to handle these types of changes.
- Possibly increase access to new types of housing and affordable units for community members.

However, it could...

- Create some unintended impacts within neighborhoods.
- Not necessarily ensure the units would be affordable.

Questions:

- 1. How would you suggest refining or adding to these key choices?**
- 2. Which housing types are currently lacking in the Boulder and should be allowed/encouraged in appropriate locations (as noted on the poster or in the online questionnaire?)**
- 3. Where do you think a particular housing type does not belong?**