



Alpine-Balsam



FAQ: How can affordable housing be achieved at Alpine-Balsam?

The Alpine/Balsam site owned by the city creates a unique opportunity to create affordable housing in Boulder. Creating affordable housing at the site could further our progress toward the [15% goal, adopted by City Council in 2019](#), that aims to create diverse housing for a variety of incomes from very low up through middle income homeownership. The Alpine Balsam site is ideal because of its access to services and transportation for people who live and work in our community, and it is large enough to create a mix of market and affordable housing.

Housing Affordability

The primary affordable housing outcome for the area plan will be through the city's inclusionary housing program (IH), which requires that new residential development with five or more units contribute 25% of the total units as permanently affordable housing. The program provides four options to meet the requirement:

1. provide the affordable units on-site;
2. provide the affordable units off-site at a different location;
3. contribute cash-in-lieu of affordable units; or,
4. dedicate land that is equivalent to the value of the requirement.

With the exception of the hospital site, most properties in the area are privately owned, and any redevelopment would be done by private owners. Each such development will contribute to affordable housing through the inclusionary program. While council can be assured all new development will meet IH, variables such as the tenure (rental or ownership), the type of housing, and which IH option developers use will be decided by the developer, and each will affect the IH affordable housing outcomes. If current trends continue, it is expected that most new housing will be rental and will meet the inclusionary requirement with cash-in-lieu. The funds would then be used to produce a greater number of affordable units (30%-32%) at other locations throughout the city.

With the hospital site, however, the city has more influence over the affordable housing outcomes as a land-owner. Ideally, under any of the scenarios, the city will retain ownership long enough to control both the timing and the way in which the land is sold to ensure the best possible affordable outcome is achieved. At this time, most parking is expected to be met in the existing parking structure, with limited space dedicated to parking on the site. The amount of additional parking needed on-site will affect the levels of affordable housing possible primarily due to the cost. Both the required egress for underground parking or any surface parking can take up developable land, reducing the possible number of housing units.

In addition to IH cash-in-lieu generated by the market units on the site, if additional funds are available, the city can increase the overall amount of affordable housing.



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Factors to consider in assessing affordable housing outcomes include the following:

1. Rental housing – Allowable density directly affects the ability for the site to support a development of sufficient size (50-70 units) for 100% affordable rental development leveraging state and federal funds (LIHTC¹). Density also affects the amount of cash-in-lieu the development will generate, as outlined below. Allowing the flexibility of height modifications supports additional affordable housing outcomes.
2. IH cash-in-lieu – In order to ensure funds are available when needed to support the affordable project, the site could contain a second similarly sized development (50-70 units) that would be sold to a market-rate developer who would meet IH with cash-in-lieu. This cash-in-lieu would be available to support the affordable development on this site. This would result in the lowest level of additional city funding needed for the affordable development.
3. Desire for transitional housing – The site could have zoning flexible enough to accommodate 12-24 units earmarked for this use.
4. Desire for for-sale market and affordable housing – The site could have zoning flexible enough to support both for-sale and rental housing outcomes. City control of the site would be needed ensure this outcome.

A typical affordable rental project typically needs to be developed as a separate building of a minimum of 45 to 50 units. The amount of development that needs to occur, in broad strokes, to fund a 45 to 50-unit affordable building is 4 times the affordable units, or between 170 and 200 total units of housing. (This is the financial basis for the city's 25% Inclusionary Housing Ordinance.) If the city wanted to create additional affordable housing on the Alpine/Balsam site above 50 units, such as affordable middle income home ownership or permanently supportive housing, then either additional development above the 200 units would be required or additional subsidy from other developments would be required.

Each land use option is summarized in the table on the following page for affordable housing outcomes on the **hospital site only**.

¹ Low Income Housing Tax Credit



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Affordable Housing Outcomes for Land Use Options Under Consideration on the Hospital Site

HOSPITAL SITE	Rental Housing	IH Cash-in-lieu	Transitional Housing	For-sale Housing	Notes
A. Emphasize Housing	good	good	better	good	Flexibility allows for different housing types; density adequate
B. Strongly Emphasize Housing	better	better	good	better	Results in the highest affordable housing levels
C. Emphasize Mixed Use	good	good	better	good	Flexibility allows for different housing types; adequate density
D. Mixed Use with a Civic Presence	poor	poor	poor	good	Reduces developable area for residential
Current Trends / Minimal Growth – <i>removed from further consideration at the June 4 City Council meeting</i>	poor	poor	poor	good	Doesn't accommodate density to support affordable housing