



E1. Density Bonuses for Higher Affordability & Certain Housing Types

An affordable housing density bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides more affordable units than required by Inclusionary Housing. This would be based on—and expand—the bonuses already offered for affordable housing in the Mixed Use 1 (MU-1) and Residential - Mixed 2 (RMX-2) Zone Districts.

A density bonus could also be offered to incentivize developers to provide specific housing types. Possible examples include micro-units, age-restricted/senior and family-friendly housing.

Key Issues:

- The current bonus system is used solely by affordable housing developers, as it does not provide enough incentive for market-rate developers. That is because affordable units are a net loss to market developers.
- Additional research would be needed to determine whether a density bonus in additional parts of the city or for certain housing types would be attractive to market developers.
- Allowing additional units may be controversial.

Background:

The bonus for affordable housing is offered in two zones:

- The RMX-2 Zone District was originally created for the North Boulder Holiday Neighborhood with the intention of facilitating a high percentage of affordable housing there. The zone also exists in Palo Park, however, Holiday is the only development that has used the bonus and it is now completely built out. The zone allows 10 units per acre without the bonus. The bonus allows five additional units per acre to be built if at least 30 percent of units (in the entire project) are permanently affordable. Additional units are allowed for projects that are at least 35 percent and 40 percent affordable. [A report on form-based codes and affordable housing](#) by Housing Colorado cited this zone district bonus.
- The MU-1 Zone District is also located in the North Boulder Holiday Neighborhood. It allows bonus units to be built in predominantly residential projects if at least 35 percent of units (in the entire project) are permanently affordable. This bonus has not been utilized very much, because affordable housing developers tend to not build mixed-use developments. Therefore, this type of bonus may be most effective in high-density residential zones rather than in mixed-use zones.

Implementation Options:

1. Consider providing a housing density bonus in additional zones.
2. Consider providing a density bonus for specific housing types.

Goals Addressed Through this Tool:

- ✓ **Strengthen Our Commitments**
- ✓ **Maintain the Middle**
- ✓ **Create Diverse Housing Choices in Every Neighborhood**
- ✓ **Create 15-Minute Neighborhoods**
 - Strengthen Partnerships
- ✓ **Enable Aging in Place**



Holiday Neighborhood: RMX-2 Zone.

Source:

www.holidayneighborhood.com