



B3. Inclusionary Housing (IH) Program

Inclusionary Housing (IH) in Boulder requires that new residential development contribute at least 20% of the total units as permanently affordable housing. Options for meeting this requirement include providing the permanently affordable units on-site, dedicating off-site newly constructed or existing units as permanently affordable, dedicating vacant land for affordable unit development, or making a cash contribution to the Affordable Housing Fund in lieu of providing affordable units (cash in lieu).

Key Issues:

- Unless the 20% IH requirement is increased, diverting IH unit production to middle-income homes or other community benefits would reduce the [number of low-/moderate-income units or cash in lieu realized through the program](#).
- IH preserves affordability by limiting appreciation. Resale of middle-income permanently affordable homes often takes much longer than for moderate-income homes. Analysis should be done to determine if this is the best method to preserve middle-income prices.
- If the 20% requirement is not adjusted, substituting middle-income units for low-/moderate-income units will effectively reduce the Inclusionary Housing requirement (middle-income units are less expensive for a developer to provide than low-/moderate-income units).
- A minimum of one half of the required for-sale affordable units are required on-site; however, all of the requirements may be met with a cash-in-lieu payment or provided off-site if the developer provides additional community benefit (defined as 50% higher cash in lieu).
- Due to a State Statute on rent control, rentals do not have an on-site requirement and may provide the units off-site or through cash in lieu at no additional community benefit.
- The IH Program is in place, staffed, and would be relatively quick and easy to modify.
- It is reasonable to assume any modification would piggyback on the program's proven success to produce desired outcomes.
- As the city approaches build-out, a reduction in housing development will provide fewer opportunities to gain community benefits through this program.

Implementation Options:

1. Modify the IH Program to include housing affordable to middle-income households.
2. Modify IH requirements to incentivize other community benefits (e.g., accessible units, providing free office space for non-profits in development, or free child care space).

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



True Corner—22 permanently affordable condominiums.

Source: www.forumre.com/communities/colorado/boulder/true-corner-condominiums