



# Middle Income Housing Working Group

Tools to Goal Discussion

August 2, 2016





# Agenda

1. Intro/logistics (5 min)
2. Update on approach to middle income goal (10 min)
3. Overview of Comp Plan Process (10 min)
4. Narrowing of Tools (45 min)
5. Public Comment (10 min)



# Work Plan

1. Modify the current goal
2. Adopt policies and tools to preserve and create middle income housing
  - A. Provide direction for Boulder Valley Comprehensive Plan (middle income housing types and barriers to smaller units)
  - B. Adopt policies requiring a higher level of community benefit for annexations
  - C. Adopt community benefit policies and outline regulations for an increase in development potential
  - D. Explore options to amend the current Inclusionary Housing (IH) regulations
3. Identify funding options



# 1. DRAFT Goal Recommendation

- Goal: **Build or preserve 5,000** middle income homeownership **units** (10% of the overall housing stock) **by 2025**
- Sub Goals:
  - **1,000** (2% of the housing stock) of the units are **deed restricted** (tools + \$\$)
  - **4,000** (8% of the housing stock) of the units are **market rate** (tools)
- Staff Work before Next Meeting:
  - **Align with BVCP**
  - **Relationship to projections**
  - **Look at past unit production**

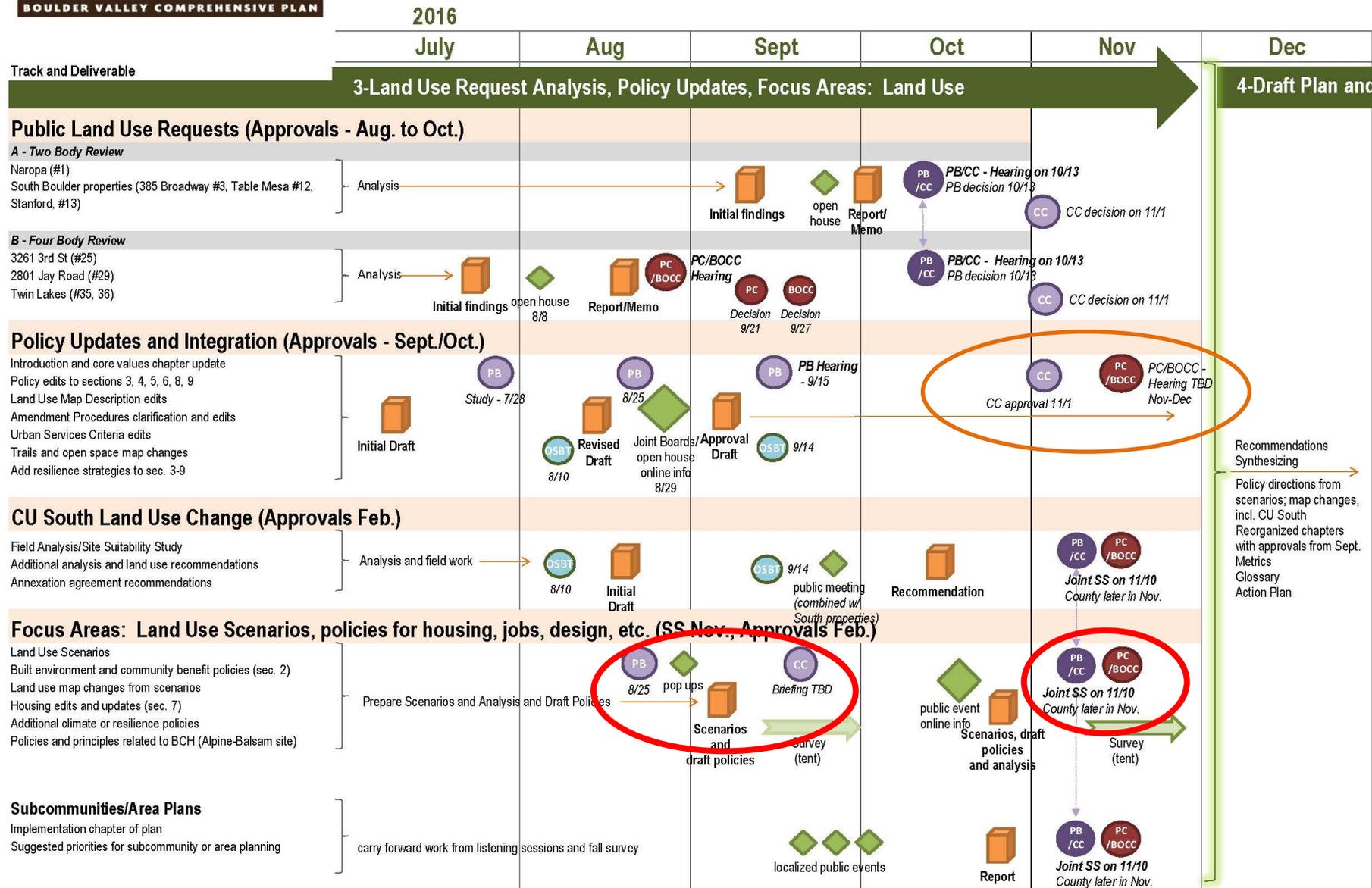


# OUR LEGACY. OUR FUTURE.

BOULDER VALLEY COMPREHENSIVE PLAN

## Detailed Schedule for Phases 3 and 4 and Approval Process

Updated - July 28, 2016



2A. Provide Direction for BVCP



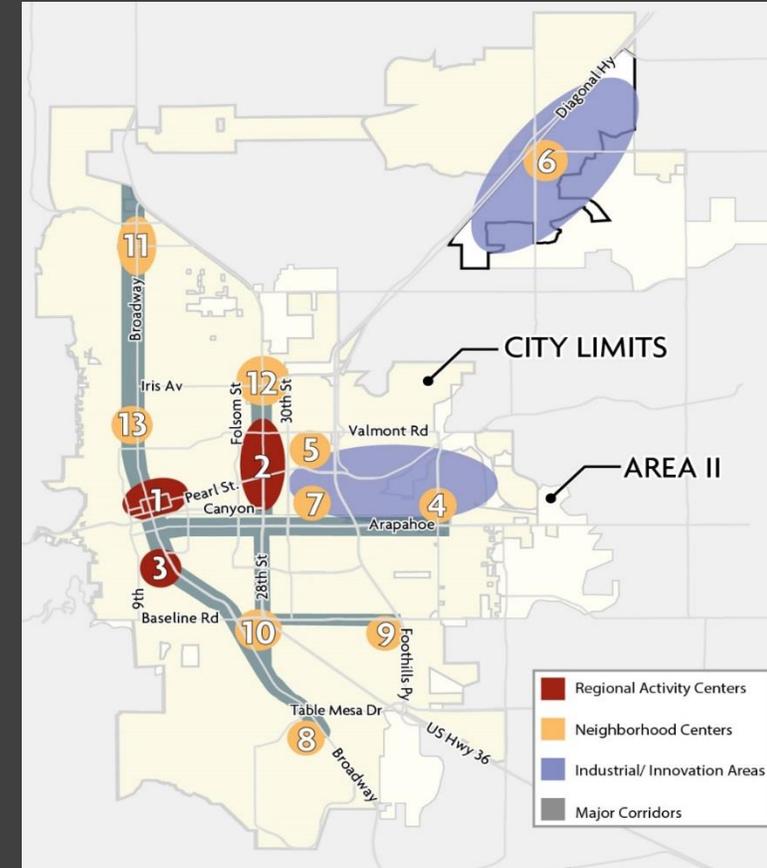
## 2A. BVCP: Scenarios and Prototypes

### Citywide Land Use Scenarios, Opportunity Areas

- Regional and Neighborhood Centers
- Light Industrial Areas
- Major Corridors
- Gentle infill

### Citywide scenarios explore:

- Current policy (potential 6,750 housing units)
- Additional housing unit potential (10,500-12,750 units) mostly in (a) and (b) above
- Not to exceed 1% average annual growth (to 2040)
- Infrastructure and services to support neighborhoods
- No significant new non-residential potential





## 2A. BVCP: Scenarios

Housing prototypes fitting for different parts of city

- a) Rowhouse/townhouse
- b) Small lot single family
- c) Also (not just for middle income housing):  
Micro Unit/live work, ADUs

Address: character, transitions, neighborhood infill





## 2A. BVCP: Prototypes

### Policy Options

- a) Community benefit (affordable housing and other benefits)
- b) Land Use definition refresh
- c) Policies and illustration for Built Environment Chapter (e.g., new visual illustrations, “Structure Plan”)
- d) Housing policy chapter updates

#### **Milestones for your review**

Planning Board – Aug. 25

City Council Briefing – Sept. 13

Public events and survey –  
Sept/Oct.

PB and CC SS– Nov. 10



## 2A. After the BVCP: The Code

Identify regulatory barriers to missing middle housing types

- Market is producing large, high end units
- City regulations largely responsible

Potential PH+S work plan item – revisions to BRC based on lessons learned from Boulder Junction form based code pilot



## 2B & 2C. Community Benefit: Annexation & Bonuses

**2B. Annexation** – *Adopt policies requiring a higher level of community benefit for annexations. For example, require specific housing types that would be affordable to middle income households (attached, smaller in size, access to a yard, etc.) for both market and permanently affordable units.*

**2C. Bonuses** - *Adopt policies providing guidance for community benefit for an increase in development potential through land use or zoning changes.*



## 2B. Community Benefit: **Annexation** Policy & Practice

- Current Policy: Emphasis on permanently affordable housing
- Current Practice: Negotiated 40% to 60% of units permanently affordable
  - % affordable based on overall community benefit provided
  - For sale: ½ low/moderate and ½ middle income
  - For rent: all affordable units consistent with low/moderate (IH) rents



## 2B. Community Benefit: **Annexation** Policy & Practice

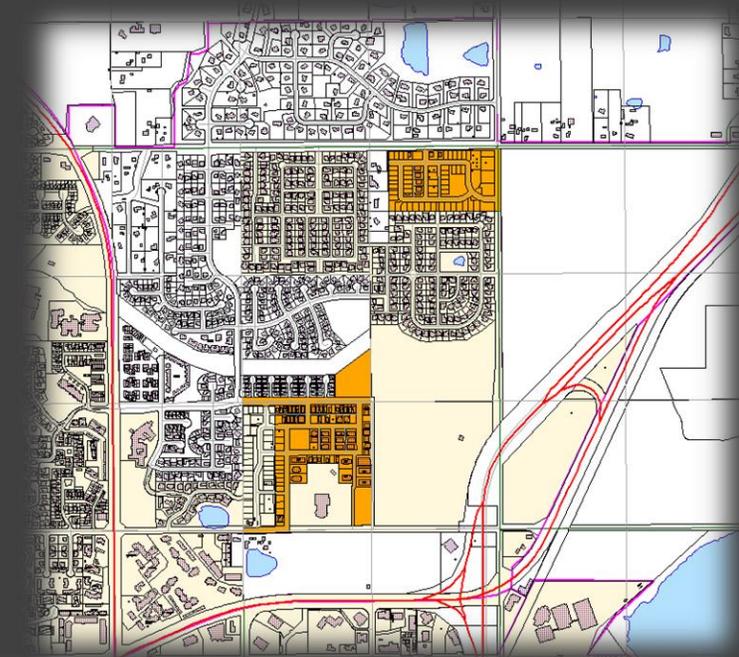
- Recommended Policy: Specify housing types for both market and affordable units
- Recommended Practice
  - Require units to serve
    - “missing middle” (duplex to 8-plex and townhomes)
    - seniors (patio homes, accessible/universal design, 1-BR and 2-BR)
    - families (2-BR to 4-BR, yard/outdoor play area)

Maximum house size: 2,500 square feet



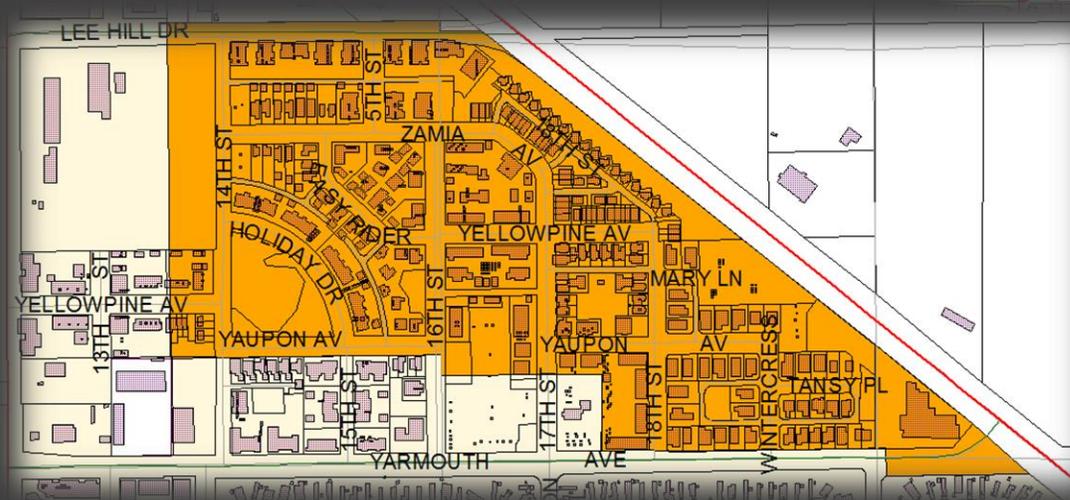
## 2C. Community Benefit: Density Bonus

- Current Policy: Allow additional units in RMX-2 and MU-1 zones for affordable housing
- Current Practice: RMX-2 allows up to 20 units per acre (bonus of 10) if 40% are affordable



*Palo Park: RMX-2 did not produce additional units*

*Holiday Neighborhood: RMX-2 zones produced additional affordable units*





## 2C. Community Benefit: **Density Bonus**

- Recommended Policy: Allow additional units in appropriate zones for **middle income housing units** through standards
- Considerations
  - Mix of market and affordable
  - Tenure (ownership)
  - Housing type (senior, family-friendly, missing middle housing type, etc.)
  - Requires future analysis
    - area specific v. citywide
    - height FAR adjustment
    - economic / legal analysis

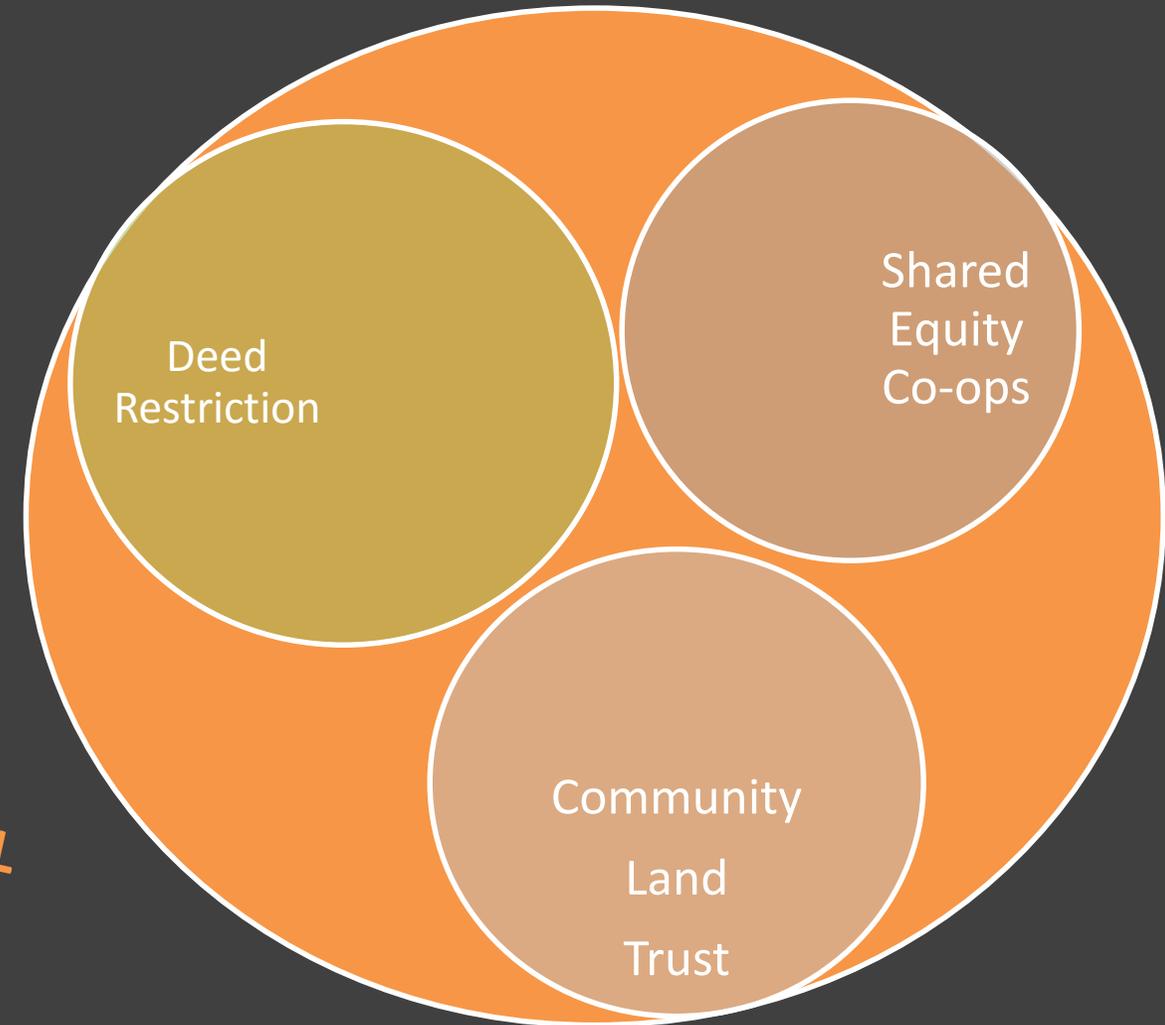
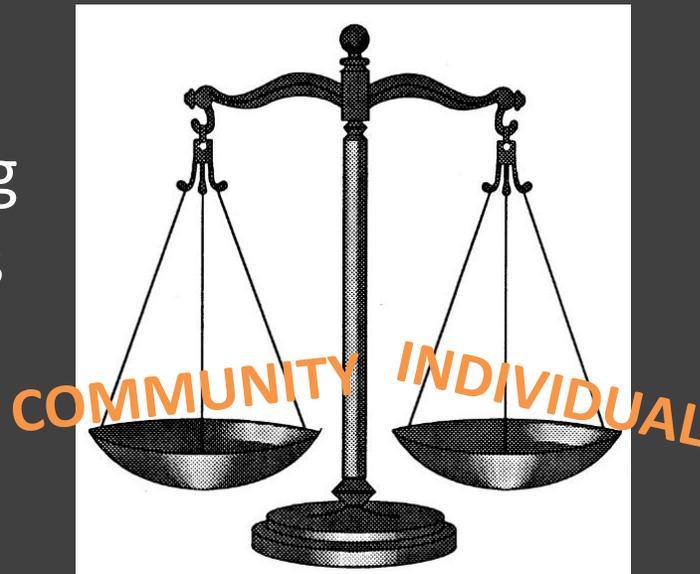


# 2D. Expand IH to Middle Income Shared Equity 101

## Goal

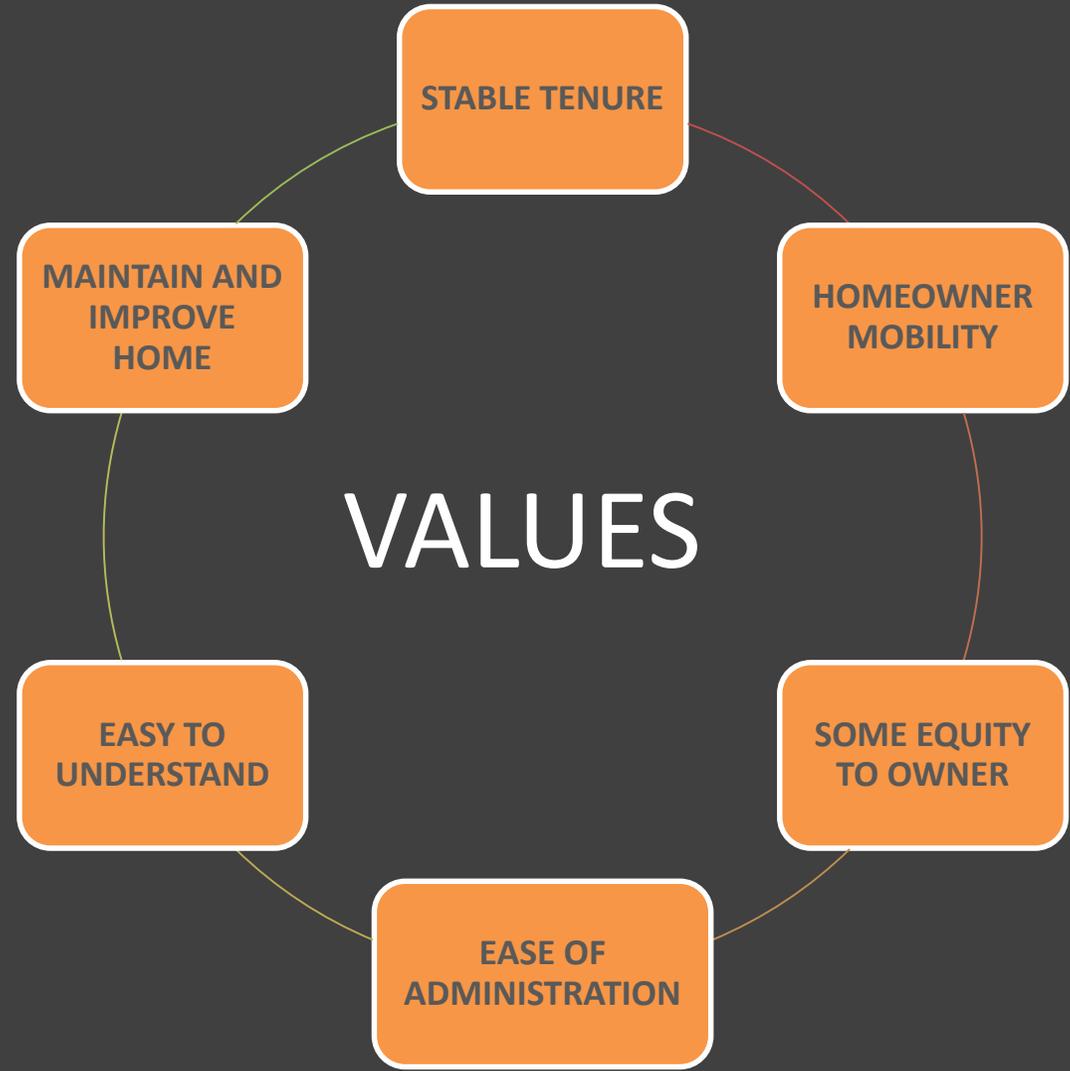
1. Serve Specific Incomes
2. Maintain Affordability over Time

Balancing  
Interests





# 2D. The Resale Formula



City's Formula:  
Indexed

Year	CPI
2008	2.2%
2009	2.4%
2010	1.0%
2011	1.9%
2012	1.4%
2013	1.0%
2014	2.8%
2015	2.8%
2016	1.0%

\$\$ to Owner on Resale

- ✓ Appreciation
- ✓ Value of improvements
- ✓ Retired debt



## 2D. Expand IH to Middle Income: the market for for-sale deed restricted

1. Experience of deed-restricted homeowners
2. Feedback from Real Estate Professionals



## 2D. Expand IH to Middle Income

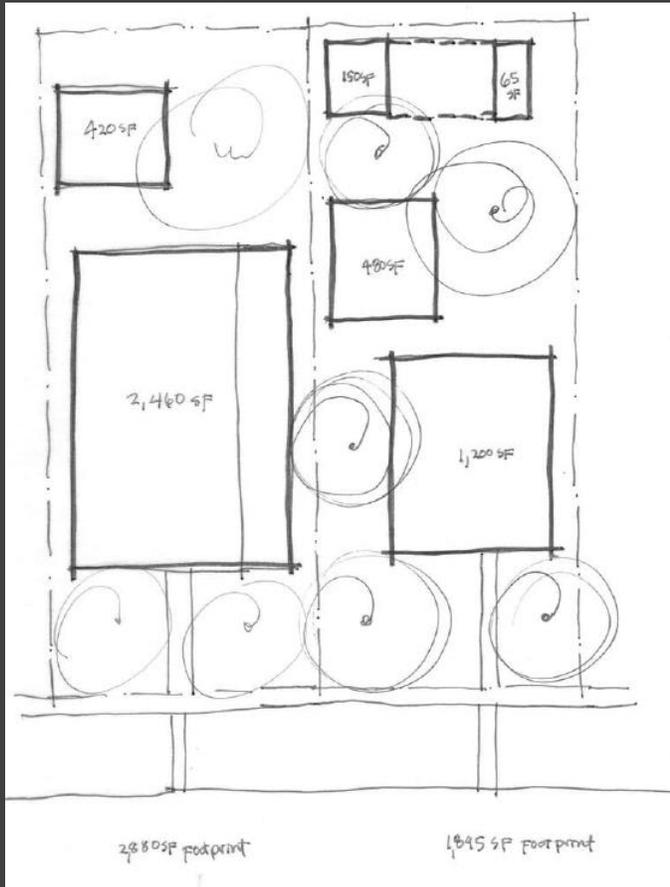
1. Current: Low/moderate: 20%
2. Proposal: **Low/moderate: 15%, middle: 10%**
3. Considerations
  - Legal and economic analysis
  - Easier for developer to absorb compared to low/moderate
  - Tenure
  - Cash-in-lieu
  - On-site requirement



# Other Tools:

## Potential Neighborhood Pilot Innovations

Infill in the Newlands Neighborhood



Re-imagining Large Lots in RE Zones





# Housing Boulder Action Plan 2016/17



■ = in progress/ongoing    L – low effort / time commitment  
■ = ready to go                    M – medium effort / time  
■ = needs scoping                    H – high effort / time

Scope			2016				2017			
Staff Effort	Public Engagement	Council / Boards	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

## 1. Address Housing Issues as part of Comprehensive Plan Update

a	<b>Jobs/Housing Mix.</b> Consider potential adjustments to future mix and/or rate of residential and commercial growth.									
b	<b>Land Use Map Adjustments.</b> Consider options in focused areas to advance community housing goals (e.g., redesignation for industrial, commercial, or high density residential areas).									
c	<b>Housing Product Types/Diversity.</b> Analyze land use and zoning to determine if they should be adjusted to facilitate a richer diversity of housing choices (coord. w/ middle inc. strategy).	H	H	H	Study Session	Study Session	Council action			
d	<b>BVCP Policies.</b> Evaluate housing and neighborhood policies related to partnering with neighborhoods; housing preservation; middle income housing; 15-min. nbhds, etc.									

## 2. Develop a Middle Income Housing Strategy

a	<b>"Missing Middle" Market analysis.</b> Determine what the market is currently producing to serve middle-income households and how unit size and location affect price over time.				✓					
b	<b>Potential Interventions.</b> Identify/evaluate land use changes and other interventions to produce desired middle income housing types in appropriate locations.				Study Session	Study Session				
c	<b>Potential Mechanisms.</b> Determine effective mechanisms to support middle income affordability (e.g., shared appreciation down payment loans).	H	H	M		w/ BVCP	Coordinated w/ BVCP			
d	<b>Draft Strategy and Data Tracking.</b> Draft a middle income strategy based on analysis and community input, and identify a methodology to monitor key market data to measure progress.							Council Action		

## 3. Preserve Existing Affordable Housing

a	<b>Short-Term Rentals.</b> Adopt changes to regulations addressing short-term rentals.	-	-	-						✓
b	<b>One-for-One Replacement.</b> Enable partner-owned housing projects to rebuild to the number of units currently on site in situations where zoning changes have reduced allowed density.	L	L	L		Background analysis complete / crafting proposal for Council consideration in early summer				
c	<b>Preservation Priorities.</b> Identify priorities for preservation funding (housing types and target unit numbers for funding).		M			Background work has not been initiated / will be prioritized based on Council direction				
d	<b>Tenant and City Purchase Program.</b> Evaluate a potential program giving first right of refusal to tenants and/or city prior to the sale of market rate affordable rental units.		L			Background work has not been initiated / will be prioritized based on Council direction				
e	<b>Funding.</b> Continue funding partners to acquire market rate affordable rental housing and make it permanently affordable.	-	-	-		ongoing				



# Housing Boulder Action Plan 2016/17



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			2016				2017				
Scope	Staff Effort	Public Engagement	Council / Boards	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
				<b>4. Achieve our 10% Goal</b>							
a	Mobile Home Parks. Explore changes to policies related to mobile home parks, as discussed at Study Session with Council in Sept 2015. Analysis of options for Ponderosa MHP underway	M	M	M							
b	Linkage Fee. Implement the Affordable Housing Linkage Fee on non-residential development and complete the current fee study to establish the appropriate new fee level.	M	M	M	Study Session Complete	Study Session	Council Action				
c	Tax Exempt Partnerships. Explore with BHP the idea of using tax exempt partnerships to establish a pipeline of acquisitions.		L		Background work has not been initiated / will be prioritized based on Council direction						
d	Affordable Housing Benefit Ordinance. Explore the idea of developing an ordinance formalizing special consideration of affordable housing in development review and approval.		M		Background work has not been initiated / will be prioritized based on Council direction						
<b>5. Projects, Partnerships, Governance and Other</b>											
a	Palo Park. Complete family housing in partnership with BHP, Flatirons Habitat for Humanity and the Palo Park neighborhood.	L	L	L	✓		Annexation complete / Site Review in progress				
b	Pollard Site. Evaluate alternatives for city owned 30th/Pearl site – second study session scheduled for second quarter 2016	L	L	L		Study Session	Council Action				
c	Neighborhood Pilot. Pilot a new approach to partnering with neighborhoods to consider opportunities for “gentle infill” (e.g., issues of ADUs/ODUs, occupancy, etc.)		L/M		Background work completed / scheduled TBD based on Council prioritization and resource capacity						
d	University Housing. Continue to engage with and support University of Colorado workforce housing efforts.	-	-	-	ongoing						
e	Housing Strategy Governance. Evaluate alternative structures for ongoing strategic oversight of the city’s housing efforts.		L/M		Background work completed / schedule TBD based on Council prioritization and resource capacity						
f	Cooperative Housing. Make changes to the city’s Cooperative Housing Ordinance to support cooperative housing as a housing choice and address neighborhood compatibility concerns.		L/M		Study Session Complete	Council hearing on May 3					
g	Tiny Homes and MicroUnits. Address code and related issues that hinder development of “tiny homes” and “microunits” in Boulder; consider potential pilot/demonstration projects.		L/M		Background work has not been initiated / will be prioritized based on Council direction						



# Tools

1. Land Use Changes
  - a) Density Bonuses
  - b) Neighborhood Pilot (Newlands infill, re-envisioning large single-family lots)
  - c) Industrial Rezoning
  - d) ADUs
2. Inclusionary Housing (Middle Income Tier)
3. Preservation
  - a) Targeted Funding
  - b) Homebuyer Assistance
  - c) Integrate Development
4. Annexation



# Next Steps

- Meeting #5 - draft strategy – Aug. 16
  - Goal
  - Policy Amendments
  - Tools
  - Funding
- Planning Board – Sept. 15
- City Council – Sept. 27