



Middle Income Housing Working Group

Funding + Draft Middle Income Housing Strategy

August 16, 2016





Agenda

1. Intro/logistics (5 min)
2. Funding Discussion (25 min)
3. Review Draft Strategy (60 min)
4. Next Steps (10 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**



Identify Funding Options

1. Targeted Funding
 - A. New Construction
 - B. Acquisition/Rehab
2. Homebuyer and Homeowner Assistance



Middle Income: Affordable Home Price

Household Size	80% AMI	150% AMI
1-person	\$227,071	\$446,781
3-person	\$291,863	\$574,525

Based on 2015 data used in the Middle Income Housing Study



1a. Targeted Funding: New Construction

		Funding Needed	
Product Type	Market Price	3-Person, 80% AMI	3-person, 150% AMI
Condo (1,000SF, 2-BR Den)	\$367,279	\$75,416	None (affordable)
Townhome (1,500SF, 3-BR)	\$582,731	\$290,868	\$8,206

Based on 2015 data used in the Middle Income Housing Study



2. Homebuyer Assistance: Affordability Gap

Household Size	80% AMI	150% AMI
<i>Detached Housing</i>		
1-person	\$638,700	\$419,000
3-person	\$573,900	\$291,000
<i>Attached Housing</i>		
1-person	\$121,400	-
3-person	\$56,000	-

Based on 2015 data used in the Middle Income Housing Study



Middle Income Funding: IH

- **Available funding:** factors
 - More analysis to come – 5%? 10%? 15%?
 - Ability to secure on-site (desirable, but not in all cases, for example, student housing)
- **Cash-in-lieu per unit (attached, 5+ units, 1,200SF):**
 - 2015-16 Low/mod: \$29,952/market-rate unit
 - If all factors held the same, MI would be somewhat lower



Middle Income Funding: Considerations

- **Homebuyer assistance:** If you provide it, will they come?
 - H2O low/mod loan, 1 loan issued 2014-16; low/mod likely not competitive on homebuyer market with cash buyers.
- **Targeted funding:** No matching state or federal funds (Unlike low/mod affordable housing)
- **Funding (general):** Per unit subsidy comparison;
 - low/mod = \$78K (rent); \$138K (own)
 - middle (own only) = up to \$291K (new townhome); \$140K (new condo)
- **Public appetite** for funding middle income households



Funding Tool Recommendation

Explore opportunities to provide targeted funding (e.g., share of units in funded properties to include some middle income homeownership)



Draft Middle Income Housing Strategy

- A. Creating a Middle Income Housing Strategy
- B. Introduction
- C. Key Findings from the 2016 Middle Income Housing Study
- D. How Will the Middle Income Strategy Be Used
- E. A New Goal
- F. Monitoring Success
- G. Key Middle Income Tools
- H. Additional Tools for Middle Income
- I. Implementation Steps



DRAFT Goal Recommendation (Marked Up)

- Goal: **Build or preserve** ~~5,000~~ **3,500** **middle income** ~~homeownership units~~ **homes** (~~10% of the overall housing stock~~) **by** ~~2025~~ **2030**
- Sub Goals:
 - **1,000** (~~2% of the housing stock~~) of the units are **deed restricted** ~~4,000~~
 - **2,500** (~~8% of the housing stock~~) of the units are **market rate**



DRAFT Goal Recommendation (Clean)

- Goal: **Build or preserve 3,500 middle income homes by 2030**
- Sub Goals:
 - 2,500 market-rate middle
 - 1,000 deed-restricted middle



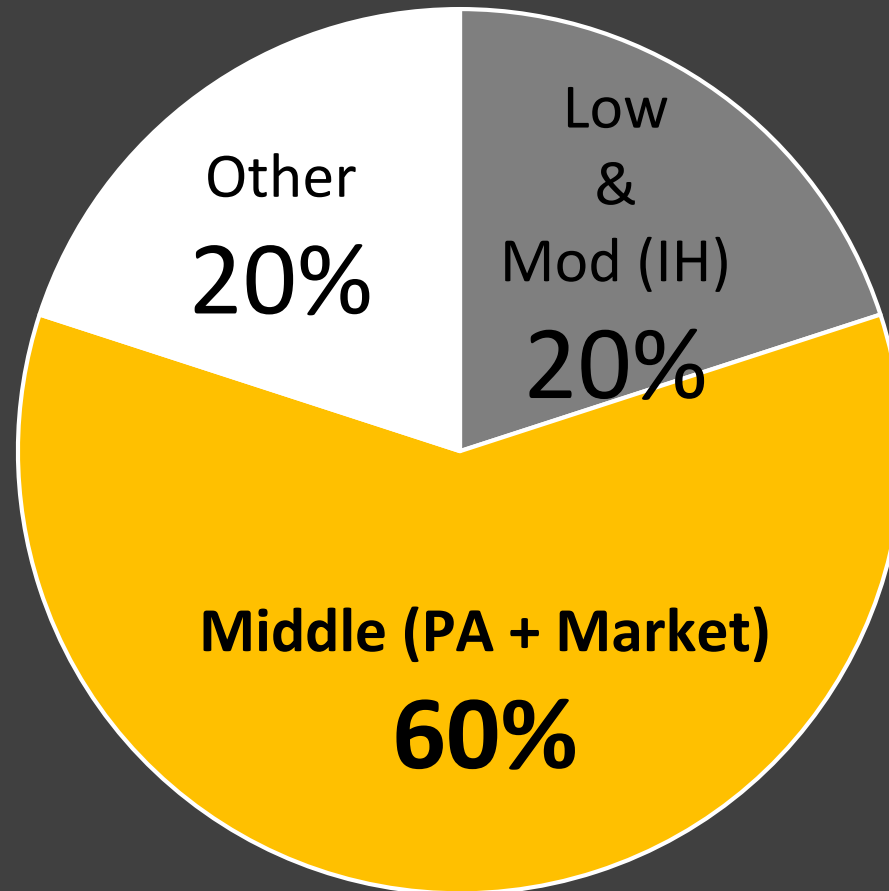
Goal Calculation

	Number
<i>New Construction</i>	
Housing Units by 2030 (assuming 0.8% growth rate):	5,355
Low to Moderate Income Share Deed Restricted Share (24%):	1,285
Balance of Units:	4,070
Middle-income Units, Market & Deed-restricted (75%):	3,000
<i>Preservation of Existing Units through Deed Restriction</i>	500
Goal (new construction + preservation):	3,500
Deed Restricted:	1,000
Market-rate (3,500 – 1,000)	2,500



Goal: The Big Picture 20/60/20

- Projected new homes (2030): 5,355
- 20/60/20 New Construction





4 Key Tools

1. **Land Use & Policy:** Provide recommendations for BVCP update (changes to policies and land use designations, including MI housing types and barriers to moderately-sized units).
2. **Community Benefit/ Incentive-Based Zoning:** Adopt policies and outline regulations for requiring additional middle-income housing in exchange for additional development potential.
3. **Inclusionary Housing:** Amend Inclusionary Housing (IH) regulations to include middle income housing.
4. **Additional Community Benefit (Annexation):** Increase middle income community benefit for annexations.



Additional Middle Income Tools

1. **Land Use & Zoning:** ADU/OAU
2. **Preservation** (deed restricting existing housing)
 1. Some middle income in affordable acquisition/rehab
 2. Targeted funding
 3. Home donation
 4. Rehab/redevelopment path for nonconforming properties
 5. Homebuyer & homeowner assistance
3. **Neighborhood Innovation Pilot Program**



Next Steps

- 2nd Draft to Middle Income Working Group – Aug. 19
 - Written feedback to staff by Aug. 26
- Planning Board – Sept. 15
- City Council – Sept. 27