

City of Boulder Inclusionary Housing Off-site Option Fact Sheet Summary

(Updated 7/2013)

This document contains a summary of the requirements for meeting Inclusionary Housing requirements all or in part through the provision of off-site permanently affordable units. In general, affordable housing requirements may be met through the provision of affordable on-site units in a market-rate project (for homeownership projects), provision of affordable off-site units (for both homeownership and rental projects), provision of cash-in-lieu or a land dedication.

Provision of off-site affordable units is dependent on the following factors:

- Acceptance by the city of the site and design of newly built or existing units.
- Agreement on the number, quality and details of the off-site units.
- Timing, including concurrency with the development that created the requirement.
- Provision of security to ensure performance.

The following summary outlines the basic requirements for providing affordable units off-site. For more detail please see the “Inclusionary Housing Off-site Timing and Process” The “Inclusionary Housing Ordinance” and associated “Administrative Regulations”. All documents may be found at www.boulderaffordablehomes.com.

The development that generated the IH requirement is referred to as the “Sending Site,” the development where the off-site units will be located is referred to as the “Receiving Site.”

1. Developments of ownership units may provide up to half of the required permanently affordable units (PA’s) off-site. To provide more than half of the required PA’s off-site, the developer must provide additional affordable benefit.
2. Developments of rental units may provide up to 100% of the required PA’s off-site.
3. Off-site rental units must be owned all or in part by a housing authority or similar agency.
4. The number of affordable units is based on 20% of all newly built units on the sending and receiving site(s). For example, if the sending site has 100 units and the receiving site has 20 units, the total IH requirement is $120 \times .20 = 25$ permanently affordable units. If the receiving site only accommodates the affordable requirement and will have no additional market units, the IH requirement equates to 25% of the units on the sending site.
5. Off-site affordable units must be provided within one year from when the sending site receives a certificate of occupancy.
6. Acceptance of any off-site unit is based on individual property characteristics.
7. A building permit application may not be submitted for the sending site until a Determination of Inclusionary Housing Compliance form and Off-site Affordable Agreement are signed and the required financial guarantee is in place.

8. An affordable housing restrictive Covenant is required for each unit.
9. For-sale unit pricing is based on pricing in place when the Covenant is signed.
10. Affordable unit rents are determined by ordinance and adjusted annually.
11. The developer of the sending site is accountable for non-performance if the provision of off-site units is halted or delayed.
12. In for-sale developments with greater than 20% affordable units, the Owner will provide, at its expense, city-approved HOA training to the buyers of the Off-Site Units.

Off-site units may be provided through provision of newly constructed units or as deed restrictions on existing units.

Newly constructed off-site units

1. A proposed off-site location must be approved by the city.
2. To secure the affordable housing requirement for newly built off-site affordable units until they are completed, a financial guarantee for the full amount of cash-in-lieu due for the sending site plus 8% is required. A building permit application may not be submitted for the sending site until the financial guarantee is provided.
3. A construction inspector will be hired by the city, at the owner's expense, to ensure quality construction techniques and materials and compliance with all inclusionary contractual requirements.
4. The site plan, architecture, materials, floor plans and other project details must be reviewed and approved by the city.
5. The HOA budget and management plan shall be based on a reserve study to determine reasonable and accurate reserve levels and shall provide for the use of a professional management company.

Purchasing and deed restricting existing units

1. The proposed units must meet all city criteria to be accepted as permanently affordable.
2. The City may require that existing units purchased and covenanted as off-site affordable unit(s) be improved at the developer's expense to meet Inclusionary Housing and Livability Standards.
3. To inform possible rehabilitation requirements, the city will hire, at the Owner's expense, an ASHI-certified home inspector (or other nationally recognized home inspection program) to complete a comprehensive inspection. In addition, city housing staff will inspect the home.
4. Rehabilitation or maintenance may be required for an existing off-site unit to be accepted by the City.
5. A construction inspector will be hired by the city, at the owner's expense, to ensure quality construction techniques and materials and compliance with all inclusionary contractual requirements.