

# Housing Boulder Middle Income Housing Strategy

City Council Study Session / March 29,  
2016



# Middle Income Housing Strategy

## Background

- What is the Problem?
- What Can the City Do?
- Integration with BVCP
- Other Housing Boulder Action Items
- Additional Analysis / Next Steps

# Background

**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			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>1. Address Housing Issues as part of Comprehensive Plan Update</b>								
a Jobs/Housing Mix. Consider potential adjustments to future mix and/or rate of residential and commercial growth.								
b Land Use Map Adjustments. Consider options in focused areas to advance community housing goals (e.g., redesignation for industrial, commercial, or high density residential areas).								
c Housing Product Types/Diversity. 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 BVCP Policies. Evaluate housing and neighborhood policies related to partnering with neighborhoods; housing preservation; middle income housing; 15-min. nbhds, etc.								
<b>2. Develop a Middle Income Housing Strategy</b>								
a "Missing Middle" Market analysis. Determine what the market is currently producing to serve middle-income households and how unit size and location affect price over time.				Study Session				
b Potential Interventions. Identify/evaluate land use changes and other interventions to produce desired middle income housing types in appropriate locations.	H	H	M	Study Session	Study Session w/ BVCP	Coordinated w/ BVCP		
c Potential Mechanisms. Determine effective mechanisms to support middle income affordability (e.g., shared appreciation down payment loans).								
d Draft Strategy and Data Tracking. 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		
<b>3. Preserve Existing Affordable Housing</b>								
a Short-Term Rentals. Adopt changes to regulations addressing short-term rentals.	-	-	-					<input checked="" type="checkbox"/>
b One-for-One Replacement. 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 work completed / schedule TBD based on Council prioritization and resource capacity
c Preservation Priorities. 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 Tenant and City Purchase Program. 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 Funding. Continue funding partners to acquire market rate affordable rental housing and make it permanently affordable.	-	-	-					ongoing
<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	Council Agenda Item				
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	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	Council Action				Site Review - Planning Board approval
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/OAUs, occupancy, etc.)			M/H					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			TBD based on Council direction and priorities
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

- Middle Income Housing is one component of an overall housing strategy
- Closely coordinated with Boulder Valley Comprehensive Plan

# Housing Boulder Goals

- 1. Strengthen Our Current Commitments**
- 2. Maintain the Middle**
- 3. Create Diverse Housing Choices**
- 4. Create 15-minute Neighborhoods**
- 5. Strengthen Partnerships**
- 6. Enable Aging in Place**



# Maintain the Middle Working Group

- Identified potential tools (co-ops, occupancy, height limits, ADUs/OAUs, bonuses for affordable units)
- Discussed policy issues related to subsidizing MI housing and the strong link with transportation





## MAINTAIN THE MIDDLE: FACT SHEET March 6, 2015

**GOAL: Maintain the Middle**  
Prevent further loss of Boulder's economic middle by preserving existing housing and providing greater variety of housing choices for middle-income families and for Boulder's workforce.

**NEW:** See the last page for a list of what's new in the revised Fact Sheet.

### EXAMPLES OF POTENTIAL OBJECTIVES

The list below provides examples of how the city might advance this goal:

- *Preserve Affordability* – Explore options to preserve the affordability of existing housing.
- *Attached Housing* – Facilitate the creation of relatively affordable attached townhomes and other higher-density, but family-supportive, housing types. This could be in areas currently zoned for these housing types as well as through land use and zoning changes, which would need to be addressed through the 2015 [Boulder Valley Comprehensive Plan Update](#).
- *Location-Efficient Mortgages* – Identify opportunities for the city to support greater use of location-efficient mortgages to increase purchasing power for prospective homebuyers.
- *Home Financing Assistance* – Create a middle-income down-payment assistance or low-interest financing program.

### KEY CONSIDERATIONS

- *Middle-Class Loss* – The share of middle-income households in Boulder shrunk by 6 percent between 2000 and 2010.
- *Upper-Income Gain* – The share of high-income households (\$200,000 annually) is growing rapidly.
- *Detached Housing is Expensive* – In 2013, the median detached home sale price in Boulder was \$631,250. The median attached home sold for \$266,250.
- *Negative Effects* – Boulder's housing market increasingly serves high-income rather than middle-income households, resulting in less socioeconomic diversity in Boulder.
- *If Trends Continue...* – Unaddressed, the trend toward loss of Boulder's middle income households is expected to increase.

# Steps to Create a MIHS

- ✓ Clearly define the problem we are trying to solve (Middle Income Housing Study)
- ✓ Analyze what housing types the market is likely to produce (additional analysis forthcoming)
- ✓ Define key areas of focus (draft areas in memo)

## Still to Do:

1. Evaluate and prioritize policies, strategies and interventions
2. Define metrics of success / monitor trends
3. Integrate public engagement within the BVCP process
4. Develop MIHS as part of the city's Comprehensive Housing Strategy

# Planning Board Feedback

- Support focus areas; concern about limiting to homeownership
- Quantitative goal is critical starting point
- Explore full range of potential interventions
- Incorporate MIHS in BVCP analysis
  - Refine character areas and other baseline info; add/modify land use categories; evaluate increasing housing potential
  - Address jobs:housing balance and potential impacts on other desired uses (e.g., light industrial)
- Include seniors / lifestyle continuum for middle income households
- Explore new housing prototypes (beyond current types)
- Look at zoning – it's incentivizing what we don't want

# Does council have questions or feedback on:

1. Proposed “Areas of Focus” to guide strategy
2. Approach to analysis, including BVCP land use and policies
3. Potential interventions
4. Process and timeline



# What is the Problem?

# Defining the Problem

- **Housing Market Analysis (2013)**
- **Housing Choice Survey (2014)**
- **Toolkit of Housing Options (2014)**
- **Middle Income Housing Study**

BBC  
RESEARCH &  
CONSULTING

**Boulder Housing Market Analysis**

City of Boulder, Colorado



BBC  
RESEARCH &  
CONSULTING

**Housing Choice Survey and Analysis**

City of Boulder

Final Report



HOUSING BOULDER  
A TOOLKIT OF  
HOUSING OPTIONS  
DISCUSSION DRAFT



BBC  
RESEARCH &  
CONSULTING

**Middle Income Housing Study**

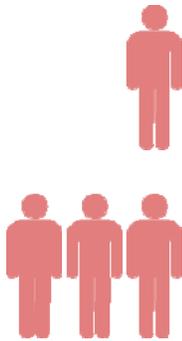
City of Boulder

Final Report

January 26, 2015  
CITY OF BOULDER

# WHO IS THE MIDDLE MARKET?

80-150% of Boulder Area Median Income (AMI)



1-person households earning \$53,000-  
\$104,000

3-person households earning \$68,000-  
\$134,000

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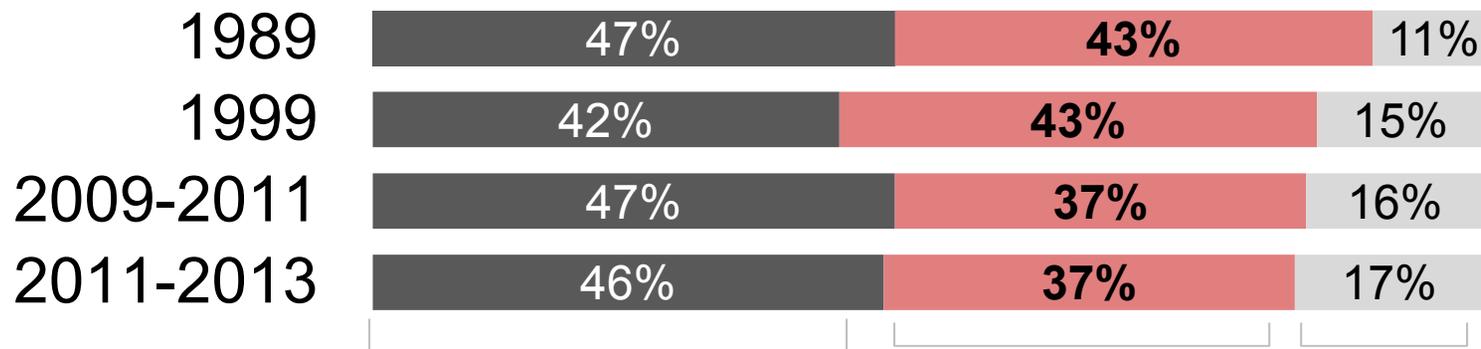
## Middle income jobs include:

*accountants, architects, librarians, veterinarians,  
and web developers.*

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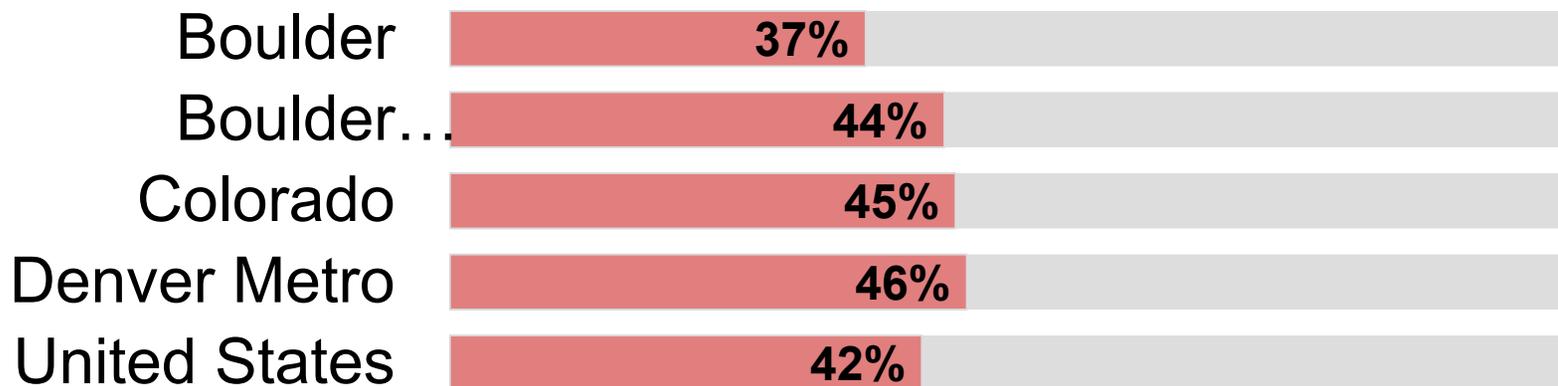
# SHARE OF MIDDLE INCOME HOUSEHOLDS IN DECLINE

**Income level:** ■ Low to Moderate ■ Middle ■ High



**Trend:**      Steady                      Down                      Up

## *Percent Households that are Middle Market*



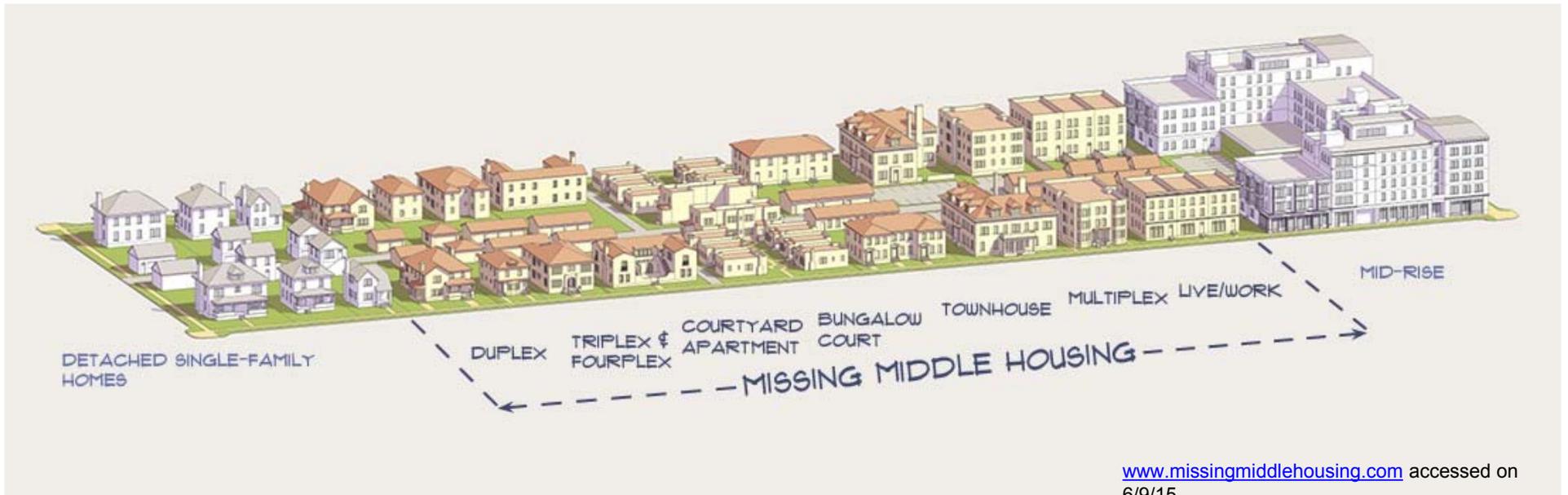
## KEY TAKE-AWAYS FROM STUDY

- } The Boulder market once offered middle income families an opportunity to own a single family detached home. This is no longer the case. Today, the median single family detached home requires an income of > \$200,000.
- } In 2015, there were 4X more affordable attached products than detached products for sale. Analysis of price trends shows that attached products offer deeper affordability and maintain their affordability longer.

# KEY TAKE-AWAYS FROM STUDY

- } Demand exists for attached housing : Middle income commuters willing to make the trade-off and buy attached housing to live in Boulder. Yet product type and neighborhood are important—especially for families.
- } If price increases continue and no new affordable attached products are built, only low-end condos will be affordable to middle income households in 10 years. In their current state, these products may not be attractive to middle income workers and families. Redevelopment will be important, in addition to creation and preservation of attached products.

# Missing Middle Housing



# Examples of Middle Housing





# How Can the City Respond?

## Middle Income Areas of Focus

1. Focus on homeownership opportunities
2. Focus on attached housing types
3. Focus on the preservation of existing middle income housing where cost effective
4. Create community and support neighborhoods
5. Ensure that most new housing is affordable to low, moderate and middle income households



# Range of Potential Interventions

1. **Land Use and Policy** (e.g. map changes)
2. **Regulatory** (e.g. inclusionary housing)
3. **Funding/Programmatic** (e.g. down payment assistance)

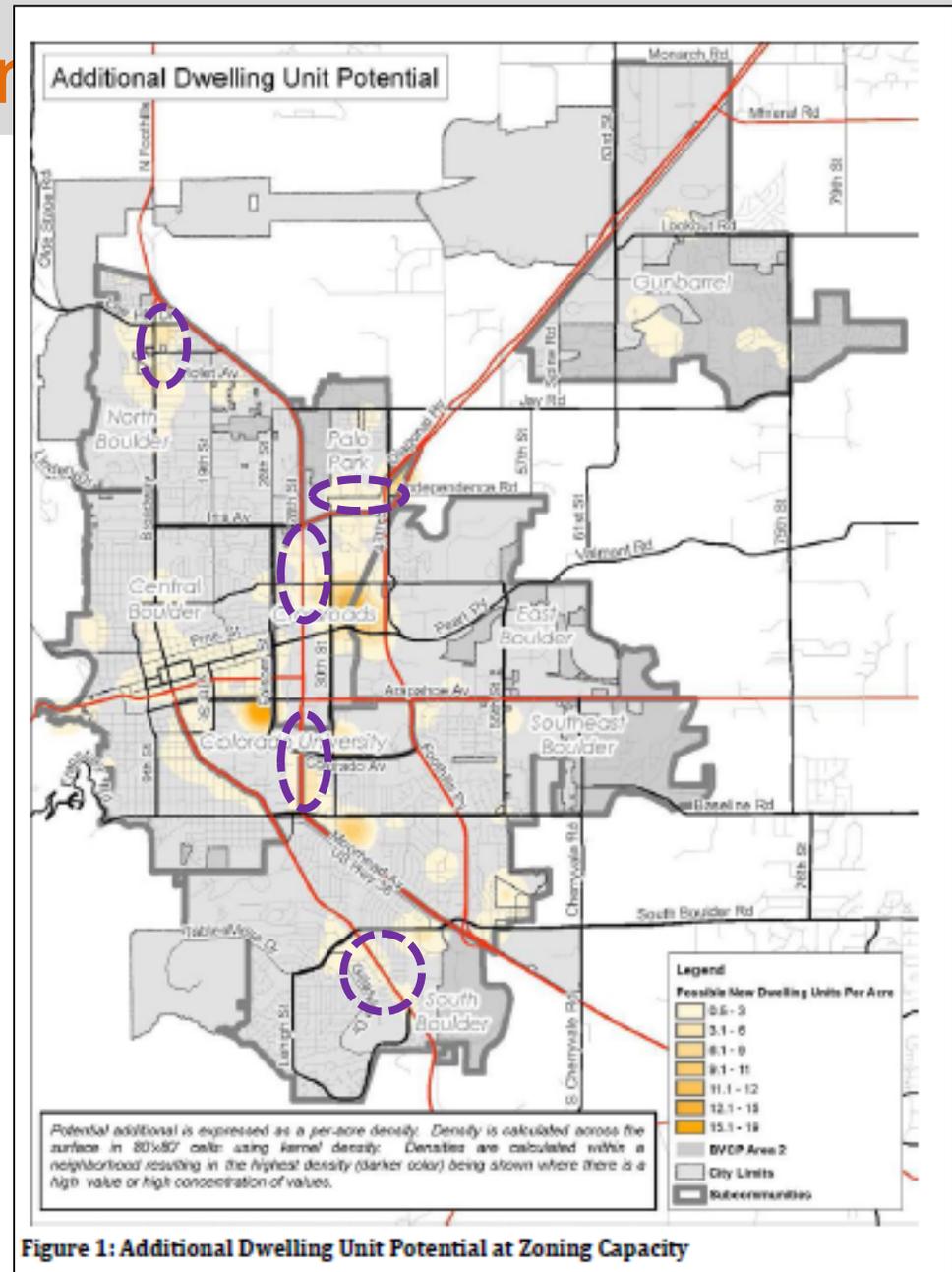


## **BVCP Scenarios**

**Through land use and policies -  
address housing, resilience, climate,  
inclusivity, transportation, other  
community goals**

# 2040 Projection

- **6,760** new residential units (existing zoning)
  - In permitting process (**900**)
  - CU (**1,400**)
  - Boulder Junction Phase II (**1,000**)
  - Religious, private schools zoned for residential (**500**)
  - Other units (**3,000**)
    - Along corridors
    - Mixed use areas, etc.





# BVCP Policies

## Ch. 1, Sec. 1: General

- Annexation policies (1.24)

## Ch. I, Sec. 7: Housing

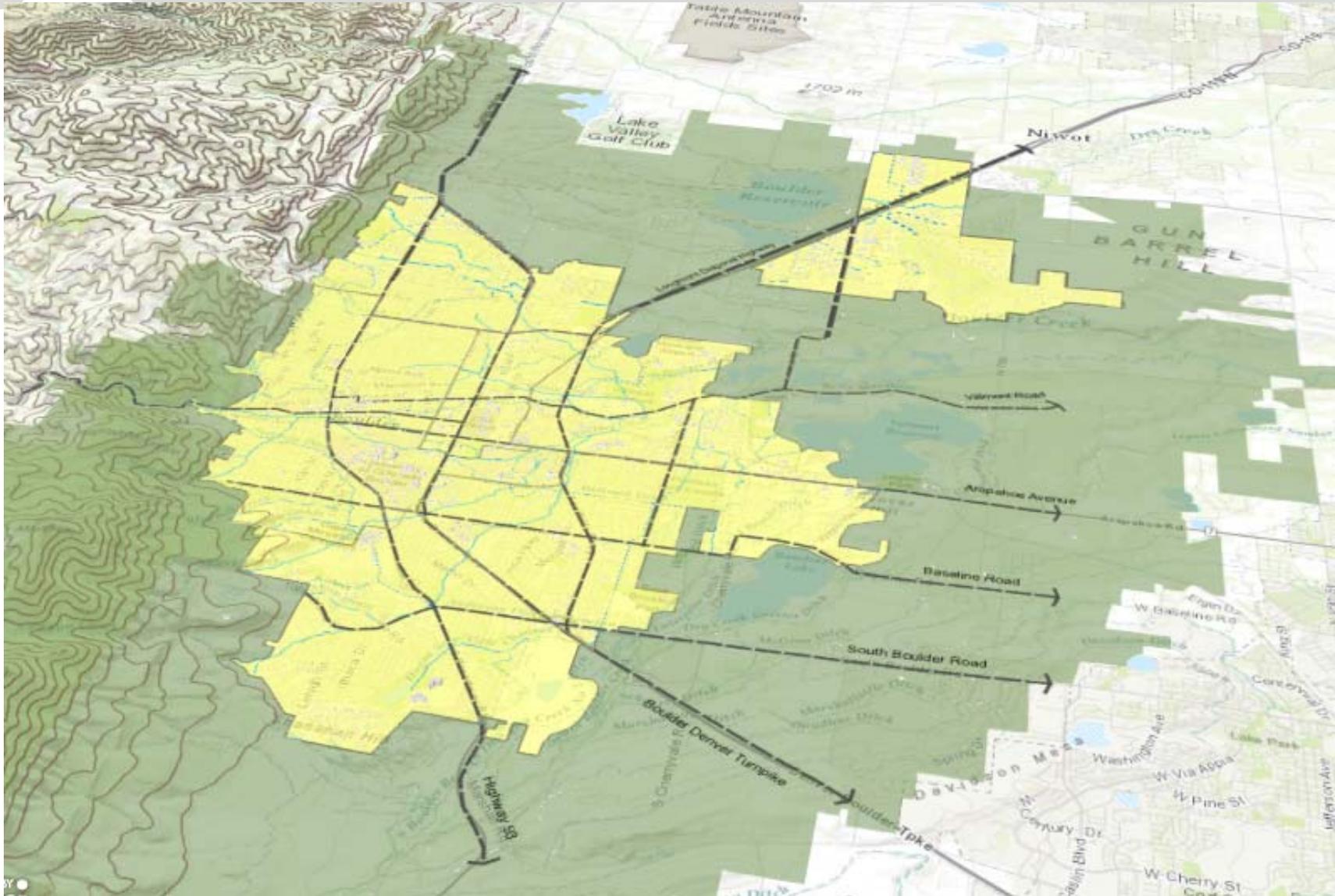
- Local Support for Community Housing
- Housing Choices
- Diversity
- Growth and Community Housing Goals

## Ch. III: Land Use Map Desc.

- Residential: Clarify, modify existing, or add new categories

<b>Very Low Density Residential</b> 	VLR 	(Note: add description)	2 du/ac. or less	RR-1 RR-2
<b>Low Density Residential</b> 	LR 	Lower density areas in the older section of the city consist predominantly of single-family detached structures. (Note: add description for newer developing areas)	2 to 6 du/ac.	RE, RL-1 RL-2
<b>Manufactured Housing</b> 	MH 	The manufactured housing designation is applied to existing mobile home parks. The intent of the designation is to preserve the affordable housing provided by the existing mobile home parks.	Var.	MH
<b>Medium Density Residential</b> 	MR 	Medium density areas are generally situated near community shopping areas or along some of the major arterials of the city.	6 to 14 du/ac.	RM-1 RM-2 RM-3
<b>Mixed Density Residential</b> 	MXR 	Mixed density areas surround the downtown and are located in some areas planned for new development.  Additionally, in older downtown neighborhoods that were developed with single family homes but for a time were zoned for higher densities, a variety of housing types and densities are found within a single block. The city's goal is to preserve current neighborhood character and mix of housing types, and not exacerbate traffic and parking problems. Some new housing units may be added. The average density in the downtown neighborhoods designated mixed density is in the medium density range (six to 14 units per acre). The mixed density designation is also applied in some areas planned for new development where the goal is to provide a substantial amount of affordable housing in mixed density neighborhoods that have a variety of housing types and densities. (Note: need to differentiate when RMX-1 vs. 2 apply.)	Older areas = 6 to 14 du/ac.  For new 6 to 18 du/ac.	RMX-1 RMX-2
<b>High Density Residential</b> 	HR 	The highest density areas are generally located close to the University of Colorado or in areas planned for transit oriented redevelopment. (Note: need to clarify intent of RH-3 and when it applies.)	More than 14 du/ac.	RH-1 RH-2 RH-3 RH-4 RH-5 RH-6 RH-7

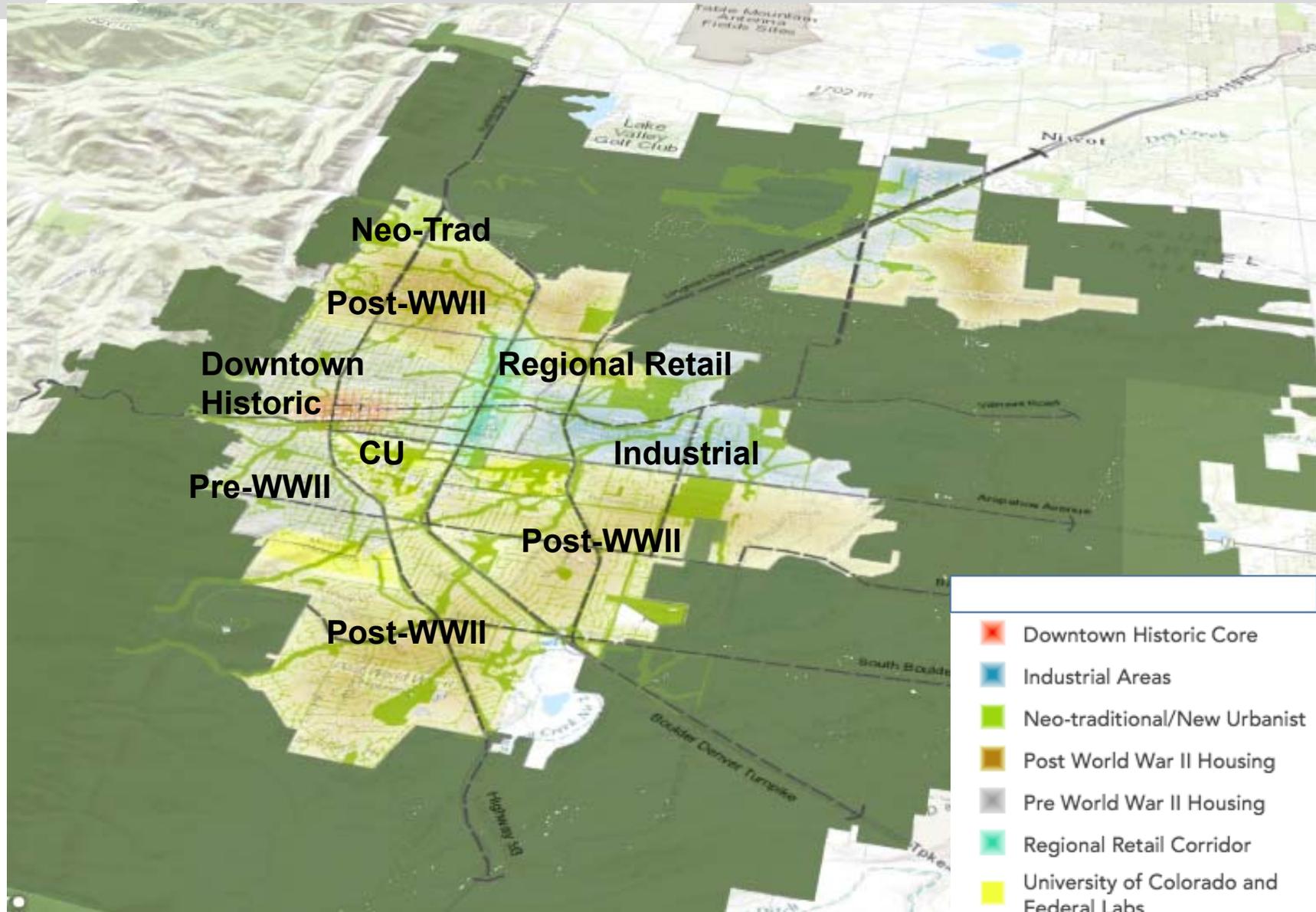
# City Structure: Natural Setting Defines Size and Shape



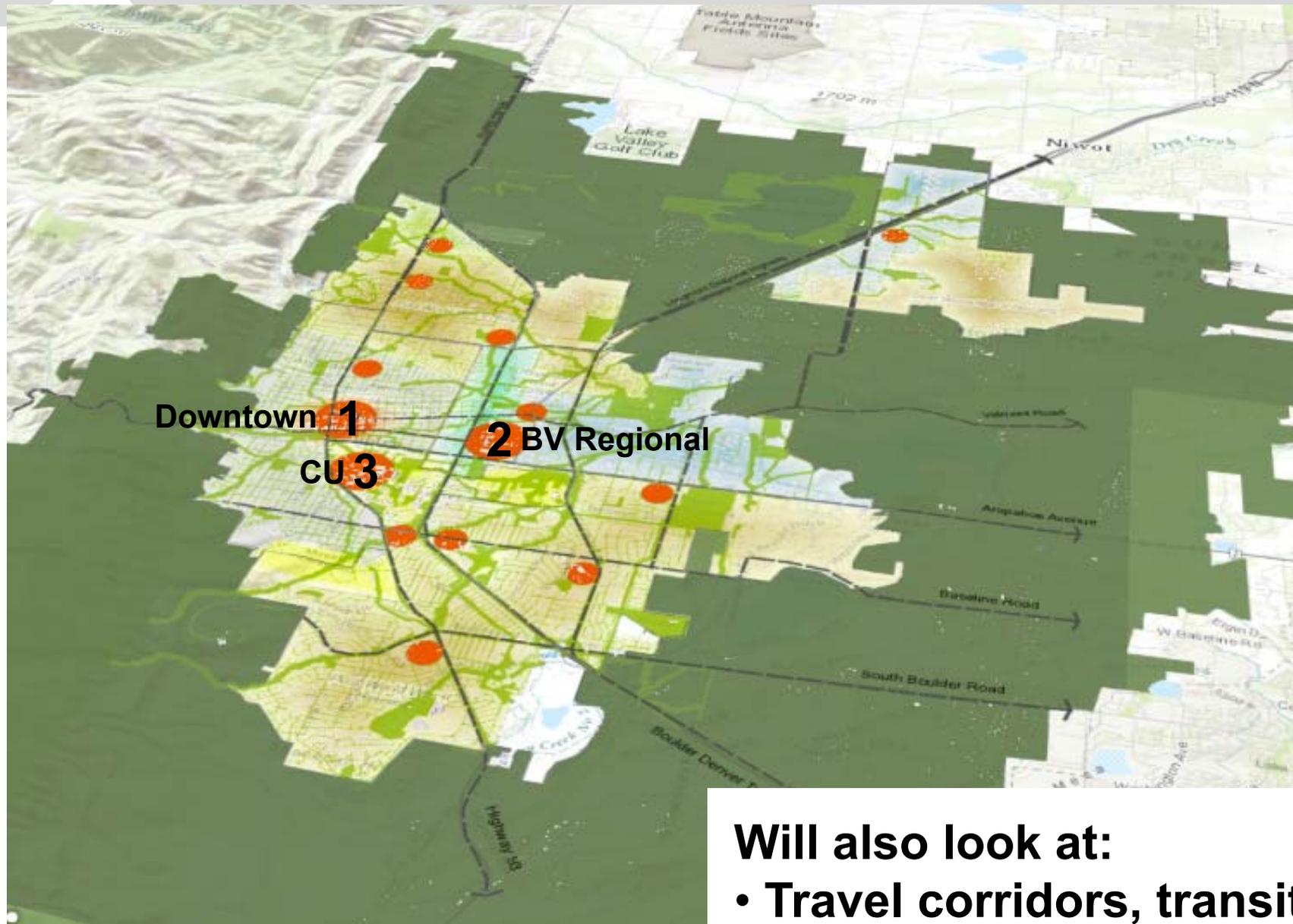
## + Public Realm (paths, ditches, parks, etc.)



# Character Areas



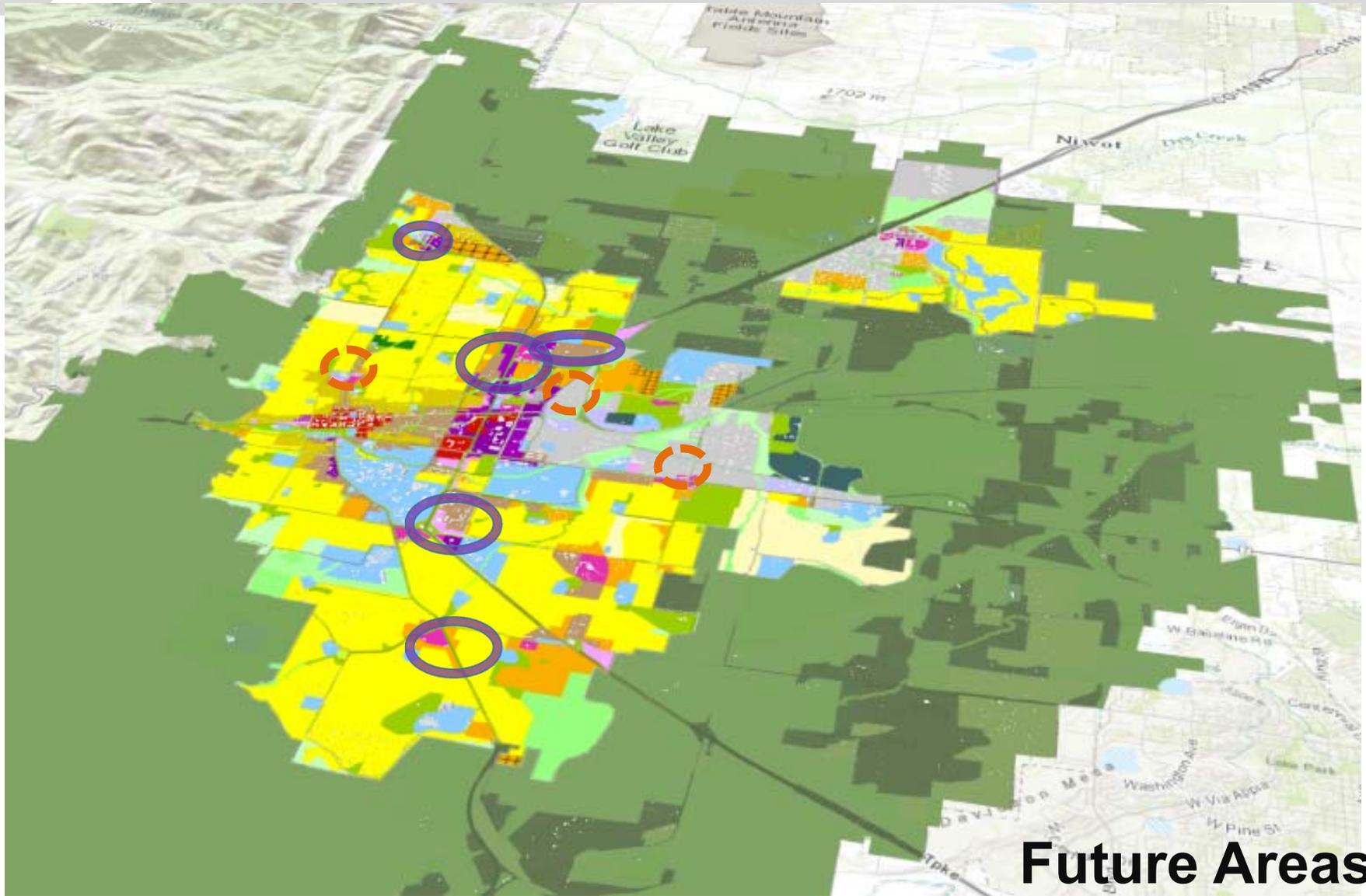
# Regional and Neighborhood Activity Centers



**Will also look at:**

- **Travel corridors, transit**
- **Subcommunities**

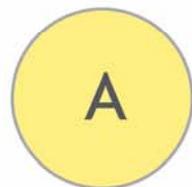
# Potential Housing based on Existing Zoning



**Future Areas?**

# Working Toward Scenarios

- To test ideas (e.g., housing, balanced jobs housing)
- Evaluate based on:
  - Affordable living (utilities, transportation, housing)
  - Reduced emissions, transportation impacts



- .....  
- .....  
- .....



- .....  
- .....



- .....  
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- .....

Each scenario with map based approach, visual images, possible policy changes, analysis of benefits and impacts (e.g., climate, transportation, utilities), and “what it would take”

**Narrowing of preferred directions (maps and policies)**



- .....  
- .....  
- .....

## Concepts

- A. “Areas of Change”** – Identify locations for attached housing prototypes (e.g., corridors, mixed use areas, business parks)
- B. Jobs/Housing Balance:** Increase housing potential (in industrial and commercial areas), without reducing job potential or impacting service industrial
- C. Criteria-based/Preservation:** Identify interventions for established areas (e.g., ADUs, lot splits, smaller units, incentives for preservation)
- D. Residential Categories - Community Benefit** – Create residential land use categories that capture benefits (e.g., affordability for density)

e.g., 55<sup>th</sup> and Arapahoe



# BCH. Other future planning areas



## Timing for BVCP Scenarios

- **May 11** – Community BVCP Event
- **May 24** – City Council study Session
- **Summer to Fall** - analysis completed



# Next Steps

## Proposed Next Steps

- Continue to analyze what housing types the market is likely to produce
- Refine the problem statement and key areas of focus
- Evaluate and prioritize policies, strategies and interventions (bang-for-the-buck analysis)
- Define metrics of success / monitor market trends
- Integrate public engagement within the BVCP process
- Convene ad-hoc group to evaluate and prioritize interventions (Council, Planning Board and Housing groups)
- Coordinate with Linkage Fee Study

# Does council have questions or feedback on:

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## Middle Income Areas of Focus

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