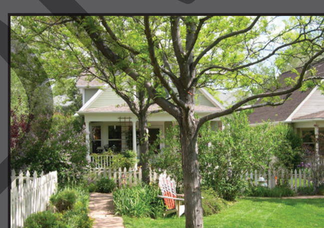
HOUSING BOULDER

A TOOLKIT OF HOUSING OPTIONS

DISCUSSION DRAFT



November 20, 2014

CITY OF BOULDER

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INTRODUCTION

Welcome to the discussion draft of the Housing Boulder Toolkit. The toolkit is a starting point for discussion. The tools in this document are just that—**ideas!**

As part of the community discussion about housing, the city is asking for help refining and evaluating potential tools. More importantly, what are your ideas to address Boulder's housing challenges? The current tools come from the 1999 Housing Strategy Toolkit, the 2010 Affordable Housing Task Force, community input, City Council, and staff. As new ideas are generated, the toolkit will be updated to reflect those ideas.

What is Housing Boulder?

Housing Boulder is a next-generation housing policy framework, combined with an implementation toolkit. The strategy is guided by the project goals adopted by City Council on September 2, 2014:

1. **Strengthen Our Current Commitments**—Reach or exceed Boulder's goals to serve very low-, low-, and moderate-income households, including people with disabilities, special needs, and the homeless.

2. **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.

3. **Create Diverse Housing Choices in Every Neighborhood**—Facilitate the creation of a variety of housing options in every part of the city, including existing single-family neighborhoods.

4. **Create 15-Minute Neighborhoods**—Foster mixed-income, mixed-use, highly walkable neighborhoods in amenity-rich locations (e.g., close to transit, parks, open space and trails, employment, retail services, etc.).

5. **Strengthen Partnerships**—Strengthen current partnerships and explore creative new public-private partnerships to address our community's housing challenges (e.g., University of Colorado, private developers, financing entities, affordable housing providers, etc.).

6. **Enable Aging in Place**—Provide housing options for seniors of all abilities and incomes to remain in our community, with access to services and established support systems.

The strategy will identify a creative mix of policies, tools, and resources to make progress on multiple fronts, in a manner consistent with the Boulder community's priorities, values, and overarching sustainability framework. It will help inform and guide City Council decisions on which policies and tools to pursue in the short-, medium-, and long-term within the context of the broader housing strategy. ***The strategy will NOT adopt any specific proposals, but rather identify priorities that will need to be incorporated into the city's work plan.***

In 2010, City Council convened an Affordable Housing Task Force (AHTF). Tools that were endorsed unanimously by the group are noted with the following logo: 2010 AHTF RECOMMENDED

For more information, please visit the project website at www.HousingBoulder.net.

TOOL NAVIGATION

1. Proposed Tool/Policy

2. Brief description and/or definition of the tool/policy and what it aims to achieve in our community.

A1. Accessible Housing

Accessible housing units are those designed for people with limited mobility, including people in wheelchairs and with hearing or vision impairments. Some examples of housing accessibility considerations include: accessible entrances, common and public use areas, usable doors (by persons in wheelchairs), accessible switches and outlets, walls that could later accept grab bars, and usable kitchens and bathrooms.

3. Key issues and analysis of the tool/policy.

Key Issues:

- Advocates for greater accessibility report that people who need accessible housing can't find it. In addition, it is common for accessible units to take longer to lease up and they ultimately lease to households that do not need the accessibility features.
- Accessibility needs increase as seniors age; as a result of the "Silver Tsunami" (aging of the baby boom generation), Boulder and the nation are expected to have more residents with accessibility needs in the near future.

Background:

- Boulder's housing stock built prior to 1979: 58.9% (2012, 5-year estimates).[1]
- According to the American Community Survey (2012, 5-year estimates) 2.6% of Boulder's residents (2,393) are mobility impaired and in the Denver MSA, the nearest geography for which these statistics are available, 5.4% of residents are estimated to have a hearing impairment and 2.6% are estimated to be vision impaired.
- At High Mar—a senior apartment property leased up in 2014 and owned by Boulder Housing Partners (BHP)—during initial lease up, not all accessible units were rented to mobility-impaired residents.
- Boulder County's architectural barrier removal program serves about 2 households each year.
- Fair Housing Act (FHA) 1991: Regarding disability, it applies to new units built after 1991 and requires accessible public and common areas as well as hallways and unit features.
- Americans with Disabilities Act (ADA) 1990: Title II of ADA applies to housing provided by public entities and Title III requires that public and common use areas in housing developments are accessible.
- International Building Code (IBC) 2012: Adopted by City of Boulder; it contains all of the provisions for accessibility from the ADA and FHA.
- The neighboring communities of Lafayette and Arvada have adopted very progressive policies for accessible and visitable housing development.

4. Brief history or background detailing how long the tool/policy has been used in Boulder specifically, and what has worked/has not worked in the past.

Implementation Options:

1. Explore the disconnect between accessible units and programs and the people in Boulder who are expected to need them.
2. Explore providing incentives for new housing units with accessibility features in housing developments with fewer than four units.
3. Explore providing incentives to retrofit existing units.
4. Create new housing visitability requirements similar to the City of Lafayette, CO.

5. Some implementation options: These have been generated from the '99 Toolkit, the 2010 Affordable Housing Task Force, community inputs, City Council, and staff.

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***

6. In September 2014, City Council adopted these goals to direct Housing Boulder. The black, highlighted tool goals are those that are most directly addressed by the tool.

LIST OF ACRONYMS

AARP: American Association of Retired Persons
ADA: Americans with Disabilities Act (1990)
ADU: Accessory Dwelling Unit
AMI: Area Median Income
AMPS: Access Management and Parking Strategy
BHC: Boulder Housing Coalition
BHP: Boulder Housing Partners (The City of Boulder's housing authority)
BVCP: Boulder Valley Comprehensive Plan
CDBG: Community Development Block Grant
CHAP: Community Housing Assistance Program
CHDO: Community Housing Development Organization
CHO: Cooperative Housing Ordinance B.R.C. 9-6-3(b) (1981)
CLT: Community Land Trust
DRCOG: Denver Regional Council of Governments
DT-5: Downtown High Density 5 Zone District
EAH: Employer-Assisted Housing
ESG: Emergency Solutions Grant
FAR: Floor Area Ratio
FHA: Fair Housing Act
FMR: Fair Market Rent
H20: House to Homeownership Down-Payment Assistance Loan
HOA: Homeowners' Association
HUD: Housing and Urban Development
IG: General Industrial Zone
IH: Inclusionary Housing
LTRA: Likely to Remain Affordable
MH: Mobile Home Zone
MHP: Mobile Home Park
MU-1: Mixed Use 1 Zone District
OAU: Owner's Accessory Unit
RGMS: Residential Growth Management System
RMX-2: Residential - Mixed 2 Zone District
SRO: Single Room Occupancy
TABOR: Tax Payer Bill of Rights
TRG: Technical Review Group

TOOLS

A. GENERAL HOUSING

A1. Accessible Housing

A2. Accessory Dwelling Unit/Owner’s Accessory Unit Requirements

A3. Co-Housing

A4. Cooperative Housing

A5. Mobile Home Parks

A6. Senior Housing Options

A7. Small Homes

A8. Housing the Homeless

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- Accessibility needs increase as seniors age; as a result of the "Silver Tsunami" (aging of the baby boom generation), Boulder and the nation are expected to have more residents with accessibility needs in the near future. Please see the Joint Center for Housing Studies at Harvard University's 2014 report Housing America's Older Adults for a detailed analysis of national trends related to accessibility needs and the ability of our current housing stock to respond.

Background:

- Boulder's housing stock built prior to 1979: 58.9% (2012, 5-year estimates).[1]
- According to the American Community Survey (2012, 5-year estimates) 2.6% of Boulder's residents (2,393) are mobility impaired and in the Denver MSA, the nearest geography for which these statistics are available, 5.4% of residents are estimated to have a hearing impairment and 2.6% are estimated to be vision impaired.
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[1] The first accessibility requirements for housing HUD-funded projects took effect in 1978.

A2. Accessory Dwelling Unit/Owner's Accessory Unit Requirements

An Accessory Dwelling Unit (ADU)/Owner's Accessory Unit (OAU) is a secondary living unit that is located within a residence or in an accessory building on the same property. Most often, accessory units are created through the conversion of basement or attic space, or space above a garage (sometimes known as "granny flats" or "in-law apartments"). They are allowed in an owner-occupied house in low-density residential zones and must meet specific criteria to ensure compatibility with the neighborhood.

Key Issues:

- Removing current barriers (e.g., concentration, parking, size, occupancy, permitting, etc.) merit reconsideration in order to encourage the creation of more ADUs and OAUs within the city.
- ADUs and OAUs provide additional affordability options in existing neighborhoods with amenities and access to services.
- ADUS and OAUs allow seniors to downsize by moving into the ADU while renting the house to a larger family.
- ADUs and OAUs use land efficiently and advance many city sustainability and historic preservation goals.
- This type of housing could result in potential impacts to neighborhood character due to increased noise, activity, and traffic created by accessory unit tenants.
- Would require code amendments.

Background:

- The Boulder Valley Comprehensive Plan (BVCP) policy on accessory units (2.11) states: "Consistent with existing neighborhood character, accessory units will be encouraged in order to increase rental housing options in single family residential neighborhoods. Regulations developed to implement this policy will address potential cumulative negative impacts on the neighborhood. Accessory units will be reviewed based on the characteristics of the lot, including size, configuration, parking availability, privacy, and alley access."
- ADUs are regulated by section 9-6-3, "Specific Use Standards – Residential Uses" of the Boulder Revised Code 1981.
- Year ADU Ordinance (BRC 1981, 9-6-3(a)) was adopted: 1982.
- The 2012 ADU Study found 186 ADUs and 42 OAUs in Boulder.
- General Provisions (ADU, OAU, LAU): (i) Owner Occupied—the owner of the property must reside in one of the permitted dwelling units on the site; (ii) The occupancy of any accessory unit must not exceed two persons. Overall, the occupancy for one dwelling unit cannot exceed the occupancy requirements set forth in section 9-8-5, "Occupancy of Dwelling Units," B.R.C. 1981; and (iii) Additional Roomers Prohibited—the property cannot also be used for the renting of rooms pursuant to paragraph 9-8-5(a)(1), B.R.C. 1981.
- ADUs are fairly evenly distributed through the city, with slight concentrations in the Newlands, University Hill neighborhoods, and in South Boulder. OAUs are primarily located in the Whittier neighborhood in Central Boulder.

Implementation Options:

City Council has identified changes to the ADU/OAU ordinance as a "**Short-Term Action**", which means that the city may move forward with a targeted fix in early 2015 based on community feedback.

1. Repeal one or more of the current restrictions to encourage this housing type (e.g., the constraint of no more than 10% ADUs in a specified area, the parking requirement, the neighborhood notice requirement, and the size limitation of 6,000 square feet for OAUs).

Goals Addressed Through this Tool:

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Above-Garage Accessory Dwelling Units.
Source: accessorydwellingunits.org/what-adus-are-and-why-people-build-them/, accessed November 17, 2014

A3. Co-Housing

Co-housing is a type of intentional community that provides individual dwelling units, both attached and detached, along with shared community facilities. Members of a co-housing community agree to participate in group activities and members are typically involved in the planning and design of the co-housing project. Private homes contain all the features of conventional homes, but residents also have access to extensive common facilities, such as open space, courtyards, a playground, and a common house. This tool would encourage development of more co-housing.

Key Issues:

- Co-housing creates an option for people who wish to live in an intentional community.
- Co-housing provides housing choice, but not necessarily affordability.
- Because co-housing does not have a land use definition, new co-housing projects must be held to the same standards as any other subdivision or development. Most co-housing projects apply for a parking requirement reduction, but this can be difficult to qualify for. Creating a separate definition for co-housing would enable development standards to be customized to this unique housing type.
- Co-housing will not substantially expand the number of units in Boulder because it is a specialized type of housing and lifestyle.
- The provision of communal amenities can reduce affordability.

Background:

Several co-housing communities exist in Boulder, including:

- Washington School Village (http://www.washington-village.com/);
- Nomad (http://nomadcohousing.org/);
- Wild Sage (http://www.wildsagecohousing.org); and
- Silver Sage (http://bouldersilversage.wordpress.com).

All were developed by Wonderland Hill Development Co., a Boulder-based co-housing developer.

Wonderland Hill Development's Peter Spaulding made the following argument in support of co-housing for seniors: "A recent national study contends that 40 percent of the seniors in assisted care today are prematurely institutionalized. That's what happens when you don't live in a supportive community. It is also unfortunate that, instead of sitting on one of their front porches discussing the issues of the day or playing a game of Scrabble with their neighbors, the average senior in America is watching over 6 hours of TV per day. That's a lot of humanity left on the table. Americans drove 5 billion miles last year between taking meals to seniors at home and nurses on-the-go providing services. For many seniors, that is their only contact with another human during the day. And it is hard on our environment."

Implementation Options:

1. Consider revising land use regulations to facilitate development of more co-housing.
2. Explore working with developers to identify appropriate locations for new co-housing.

Goals Addressed Through this Tool:

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Maintain the Middle

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Wild Sage Co-Housing. *Source: wildsagecohousing.org accessed September 9, 2014*

A4. Cooperative Housing

Cooperative housing is a form of rental or ownership housing where unrelated individuals live in one or more residential buildings owned by a membership-based corporation. Cooperative housing is characterized by shared management and consensus (i.e., arriving at a common decision rather than voting) or other egalitarian governance. Cooperative rental housing typically features shared common areas (e.g., kitchen, community room, bathrooms) and private bedrooms, though there are many variations on this model.

Key Issues:

- Advocates for cooperative housing have cited the following barriers to using the Cooperative Housing Ordinance B.R.C. 1981 9-6-3(b) (CHO):
  - Conditional land use with 5-year renewal period;
  - 6- to 8-person occupancy limit: 10+ residents would be required for a viable co-op;
  - Ownership requirement: Existing legal co-ops in Boulder are 501(c)3-owned;
  - Parking requirements are too high for cooperative housing;
  - The bus pass is expensive for low-income residents; and
  - There is a one-time revocation of conditional use for code violation (i.e., weeds, trash, noise).
- The ordinance was written for ownership cooperatives, yet the greatest interest has been expressed for rental co-ops.
- Concerns related to cooperative housing in existing neighborhoods include noise, activity, trash, traffic, and parking.
- Cooperative housing, as practiced by the Boulder Housing Coalition (BHC), is a more efficient use of land and advances many city sustainability goals.

Background:

- The existing CHO was adopted in the mid 1990s and has yet to produce any cooperative housing.
- Boulder Housing Coalition (BHC), a HUD-recognized CHDO (pronounced "chodo"—Community Housing Development Organization), reports strong demand for their rooming and family units.
- A handful of informal rental cooperatives exist in Boulder, demonstrating interest in this model as well.
- BHC bypassed the CHO to establish its 3 affordable rental cooperatives as grandfathered non-conforming uses.
- Cooperative living builds the capacity of residents who must equitably share responsibility for the household, participate in governance, and navigate shared living. Many residents translate these skills into volunteer efforts, work in local nonprofits, and community activism.
- Cooperative living is a lifestyle that will work for and/or appeal to a relatively small portion of the population; thus enabling cooperative housing is likely to create additional housing opportunities for only a small niche of Boulder residents, including primarily service and nonprofit workers, seniors and some families. It is often cited as an affordable housing option.

Implementation Options:

City Council has identified changes to the ADU/OAU ordinance as a "**Short-Term Action**", which means that the city may move forward with implementation in early 2015 based on feedback from the CHS working groups.

1. Repeal one or more of the current restrictions to encourage this housing type (e.g., requirements for homeownership, minimum habitable space, EcoPasses, off-street parking, and the six-person occupancy limit).

   See also, "Occupancy Limits".

The Masala Co-op. *Source: boulderhousingcoalition.org*

Goals Addressed Through this Tool:

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A5. Mobile Home Parks

Mobile home parks (MHPs) are residential areas containing manufactured homes, mobile homes, or both; at least some of those homes are owned by individuals other than the mobile home park owner.

Key Issues:

- MHPs provide housing choice, a yard, and a lower density option. However, MHPs are not an efficient land use; significantly more affordable attached housing could be provided on these sites.
- Mobile homes (MHs) can be a relatively affordable housing option, though factors such as pad rents, high interest on financing, and the depreciating value of MHs complicate the apparent affordability of this housing option.
- The lowest-income MHP residents often struggle to afford to maintain their home over time.
- Balancing park quality and affordability is challenging. Boulder Meadows, a park that attempts to achieve higher quality standards, has significant vacancies—well over 100—and higher pad rental rates as a result of stricter policies around the age of the home, pets, and other criteria.
- Most mobile home parks in Boulder have original, deteriorating infrastructure, and can struggle to generate revenue needed for upgrades. Modernizing park infrastructure is very expensive.
- MHP owners typically do not involve residents in the decision making.

Background:

- BVCP Policy **7.08 Preservation and Development of Manufactured Housing** states that "the city and county will encourage the preservation of existing mobile home parks and the development of new manufactured home parks, including increasing opportunities for resident-owned parks. Whenever an existing mobile home park is found in a hazardous area, every reasonable effort will be made to reduce or eliminate the hazard, when feasible, or to help mitigate for the loss of housing through relocation of affected households, development of additional manufactured housing capacity in the county, or other appropriate means."
- In 1985, the City of Boulder was the first community in Colorado to establish a Mobile Home (MH) zone to preserve existing MHPs.
- There are 1,346 pads in MHPs throughout the City of Boulder. These pads are equivalent to 35 percent of the current inventory of affordable housing in Boulder. Only the 120 permanently affordable Mapleton MHP pads are included in the 10 percent affordable housing goal. MHPs near Boulder (in Areas II and III) have a total of 425 pads.
- In the mid 1990s, the city purchased Mapleton MHP and Branding Iron MHP as part of the flood channel improvements along Goose Creek. Branding Iron residents were relocated to Mapleton and ownership of Mapleton was transferred to Thistle Communities. Another park, Boulder Mobile Manor, was purchased by Boulder Housing Partners (BHP) and redeveloped as Red Oak Park, an affordable rental community.
- In 2009, BHP conducted an analysis of Orchard Grove Mobile Home Park and found that a $5.4 million subsidy would be required to modernize park infrastructure.

Implementation Options:

1. Strengthen preservation and redevelopment efforts and consider acquiring existing park(s).

   2010 AHTF RECOMMENDED

2. Consider creation of new park(s).

Goals Addressed Through this Tool:

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Mapleton MHP Home.
Source: Thistlecommunities.org

A6. Senior Housing Options

As the baby boom generation ages, the number of seniors at all income levels in our community will grow. This tool looks at ways to provide housing for seniors to "age in place" and to offer seniors housing options with accessibility, affordability, low maintenance, and needed support services.

Key Issues:

- Over the next five years, the number of age 62+ households in Boulder is projected to increase by 26% (Source: The Highland Group, Inc.).
- In Boulder County between 2010 and 2040, as the baby boom generation ages, the age 65+ population is expected to nearly double, increasing from 1 in 10 to 1 in 4 residents (Source: Colorado State Demographer's Office).
- Older adults typically live on a fixed income and many cannot readily respond to sharp and unpredictable increases in housing costs.
- By 2020, nationally, 19.1% of those age 65+ are expected to need assistance with one or more activities of daily living.
- The baby boom generation is redefining senior housing. As a whole, they are averse to institutional living, desire to be productive longer, are healthier and more active, desire to age in place, demand more amenity and seek community.

Background:

- In Boulder, there are 3,934 age 65+ owner households in single-family homes (2012 ACS 5-yr est.). In a recent survey, almost 75% of older adults in Boulder County reported they had lived in the community for more than 20 years and almost 9 in 10 plan to stay in Boulder County throughout their retirement.
- Very few respondents (13%) felt there was excellent or good availability of affordable quality housing and only one-third of respondents gave positive ratings for the variety of housing options. Both of these aspects were rated much lower than peer communities (Source: Boulder County, CO 2014 Community Assessment Survey for Older Adults).
- The Boulder County Area Agency on Aging (AAA) is currently conducting focus groups and surveys as part of the update to its "Age Well Boulder County" Strategic Plan. Participants expressed the need for two levels of assistance with housing: systemic community support—through the provision of a variety of housing options for the county's aging population—and personal assistance with specific housing needs.
- AARP Definition of Livable Community: "*A livable community is one that is safe and secure, has affordable and appropriate housing and transportation options, and has supportive community features and services. Once in place, those resources enhance personal independence; allow residents to age in place; and foster residents' engagement in the community's civic, economic, and social life*."
- In 2014, The Joint Center for Housing Studies released a report titled Housing America's Older Adults. It documents changing demographics, housing preference, financial resources, accessibility and other needs as well as suggested approaches to meeting the housing needs of older Americans.

Implementation Options:

1. Pursue increased occupancy for seniors in low-density residential zones.
2. Explore incentives to include senior housing in future developments or redevelopment projects.
3. Identify potential sites for future age-restricted housing.
4. Study property tax exemptions for seniors related to the state Homestead Exemption.

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"This demographic's influence stems from sheer numbers . . . and its diverse preferences."

***–How Baby Boomers Are Changing Retirement Living*, Washingtonian**

A7. Small Homes

Smaller homes, not just those that are deed restricted, may provide a source of relatively inexpensive housing. This tool suggests exploring incentives to encourage new smaller homes and preserve existing smaller homes and their relative affordability. It would also explore disincentives to construction of very large units and major expansions of existing smaller homes.

Key Issues:

- Smaller, older homes are inherently more affordable than new, larger homes.
- Some members of the community have expressed concern with the demolition of smaller homes in favor of very large, expensive homes.
- While housing unit size factors into affordability, unit type (attached vs. detached) and location may be even more influential to affordability.
- Small units promote energy efficiency and resource conservation, thus aligning with city sustainability goals.
- Small units may appeal to a specific segment of the population, due to relatively lower costs. They may be less appealing to larger households.
- Many in the community argue that the lack of flexibility with linkage fees, Inclusionary Housing, parking, and other per-unit development requirements create unintended incentives to build bigger housing units.

Background:

- In the 1990s, the City of Boulder introduced the "Built to Be Affordable" Program featuring size-restricted units. The price to the first buyer was required to be below market value, but subsequent sales prices were not restricted. The program produced 108 restricted units that are in existence today, and of the original 108, 20 owners bought out of the restriction. However, the program failed to establish or require an ongoing re-sale price or buyer income limitations. Right away, the units were bought by realtors/developers and flipped for large profit.
- Micro-units are often cited as a potential new housing type that offers rents 60-80 percent of market-rate rents. Each unit is less than 300 square feet and shares common facilities such as kitchens and common gathering spaces—each with a separate lease. Anything larger than 300 square feet is considered simply an "efficiency" unit and not considered "micro". Seattle, Portland, and San Francisco have recent examples of this type of housing. City staff is developing a proposal to test this housing type on a partner-owned site (the parking lot at Spruce and Broadway is one possible site).

Implementation Options:

1. Identify and implement incentives and/or regulations for *building* smaller units.

   2010 AHTF RECOMMENDED

2. Identify and implement incentives and/or regulations for *preserving* smaller units.

   2010 AHTF RECOMMENDED

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Courtyard Housing. *Source: daily.sightline.org*

A8. Housing the Homeless

***Housing First** moves the homeless individual or household immediately from the streets or homeless shelters into their own apartments. **Housing First** approaches are based on the concept that a homeless individual or household's first and primary need is to obtain stable housing.*

***Rapid Re-Housing (RRH)** is geared towards episodically homeless persons with moderate needs (moderate acuity).*

The department of Human Services is currently working with community partners to develop a City of Boulder Homeless Action Plan as part of the Boulder County Ten-Year Plan to Address Homelessness (2014).

Key Issues:

- Housing First approaches, including permanent supportive housing (PSH) are cost-effective and provide a stable base for recovery when the costs of homelessness and mental illnesses (e.g., emergency room visits, hospitalizations, incarcerations, etc.) are taken into account.
- Although demand for RRH and PSH is high in Boulder, both are difficult to implement on a scale that meets demand.
- Fair Market Rent (FMR) rates are set too low to afford typical rents in this area.
- Local vacancy rates are very low and, even with rental assistance programs, competition for available housing is difficult for homeless individuals and families, which may have background issues such as poor credit, evictions, or convictions.
- Other barriers to supporting the homeless include zoning/planning barriers (e.g., zoning requirements such as maximum number of unrelated occupants in units, parking requirements, and planning process).
- Reducing homelessness in Boulder requires supportive services such as shelter, food, health, mental health, case management, and employment assistance, in addition to coordination among homeless service providers, regional service coordination, and community partnerships.
- Housing options that could support people experiencing homelessness in Boulder:
  - Permanent private market housing for families and individuals with incomes below 30% Area Median Income (AMI);
  - Permanent supportive housing;
  - Creative options (e.g., scattered site Housing First units, SROs); and
  - Program-based transitional housing with services in congregate settings.

Background:

- Boulder County prevention and rapid re-housing programs have helped over 1,000 people maintain or obtain housing since 2010.
- In 2008, Boulder County developed a five-year Human Services Strategic Plan.
- Boulder's current percentage of residents living below the federal poverty line is higher than the national average.
- The Boulder Valley Comprehensive Plan, now being updated, emphasizes housing development in urban areas, which may create barriers to a more regional approach to homeless and very low-income housing.

Implementation Options:

1. Build new partnerships between nonprofit housing developers, homeless service providers, and private developers to provide more housing for the homeless.
2. Strengthen regional partnerships for housing the homeless.
3. Assess barriers/feasibility of creative options.
4. Support local and regional efforts in landlord outreach/recruitment and in reducing FMR barriers.

Goals Addressed Through this Tool:

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Maintain the Middle

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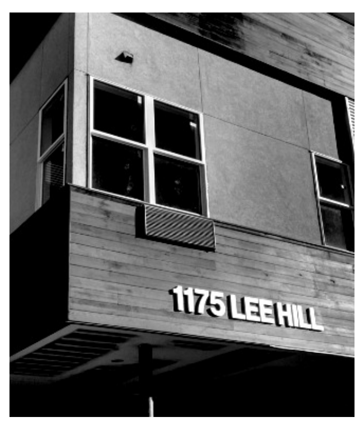
✓ ***Strengthen Partnerships***

Enable Aging in Place



1175 Lee Hill. *Source: Boulder Housing Partners*

B. EXISTING PROGRAMS

B1. Home Rehabilitation Loan Program

B2. Homebuyer Assistance Programs

B3. Inclusionary Housing (IH) Program

B4. Revenue Sources for Affordable Housing

B5. Annexation

B1. Home Rehabilitation Loan Program

Home rehabilitation loans are available to low- and moderate-income households in Boulder for the purpose of making energy efficiency, code, and safety repairs.

Key Issues:

- In the 2014 Housing Choice Survey, 51% of in-commuters who considered living in Boulder, but chose to live elsewhere, reported that the "Housing I could afford was lower quality and/or needed repairs".
- The Home Rehabilitation Loan Program could be expanded to serve middle-income households, allowing more current in-commuters who wish to live in Boulder to purchase fixer-upper homes and rehabilitate them.
- The Home Rehab Loan Program only creates new opportunity on relatively affordable housing stock that needs to be rehabbed.

Background:

- The City of Boulder offers a Home Repair Loan Program for city residents, administered by Longs Peak Energy Conservation, that addresses health and safety repairs as well as energy conservation upgrades.
  - Current rehab programs benefit low- and moderate-income households, including mobile homeowners.
  - The income limit is 80% AMI (max. income for 4-person household = $63,900).
  - The maximum loan amount is $25,000.

Photo By: Habitat for Humanity & Campfire Studios

Implementation Options:

1. Explore expanding the Home Repair Loan Program to serve middle-income households.
2. Identify/leverage other funding (e.g., Dept. of Energy) to achieve multiple objectives, for example, energy efficiency.

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***

"I wanted a single-family, 2-story home in good shape with a garage and in a decent neighborhood for less than $400,000. Unfortunately, everything we could find in Boulder for this amount of money was awful. Boulder isn't a bad place to live, but it also isn't worth paying over $400,000 for an out-of-date ranch."

–2014 Housing Choice Survey Respondent

B2. Homebuyer Assistance Programs

Boulder's Homeownership Program operates two down-payment assistance programs: the Solution Grant—a down-payment grant to assist with the purchase of permanently affordable homes in Boulder—and the H2O Loan (House to Homeownership), which helps low- to moderate-income households cover down payment and closing costs when purchasing homes on the open market. These loan assistance programs have evolved from earlier programs. It is possible to adjust these programs to serve more or different households.

Key Issues:

- The city offers two down-payment assistance programs: the Solution Grant for low- to moderate-income households purchasing permanently affordable homes in Boulder and the H2O (House to Homeownership) Down-Payment Assistance Loan for low- to moderate-income households for homes on the open market.
- The maximum qualifying income for a 4-person household for both of the city's loan programs is in the mid $70,000 range.
- The median detached single-family home value in Boulder (2013) was $631,250 and the income needed to purchase it was $158,280.[1]
- Rapid increases in Boulder home prices make some homebuyer assistance tools unsustainable.
- When designing a homebuyer assistance program in an expensive market like Boulder's, factors to consider include: the relative merit of retaining homebuyer households in Boulder, the amount of public subsidy needed to do so, and what that money could do if used differently (e.g., funding other housing options or community development initiatives).

Background:

- Homebuyer assistance tools in the '99 Toolkit included a **shared equity loan program**. Shared equity entails sharing of a home's equity at resale between the homeowner and the community/future qualified home buyers. In 1996, the city established First Home, the first shared equity loan program. It was replaced with a down-payment grant program that required permanent affordability. The rapid increase in Boulder's home prices led to concern that the recapture on resale would be insufficient to ensure 1:1 replacement.
- The **purchase program for existing units**, a tool included in the '99 Toolkit, involved public funds being used by the city or nonprofits to purchase existing housing units for resale or rental to low- or moderate-income persons. The city has not used public funds for direct purchase of homeownership units.
- The **Solution Grant** is limited to up to 5% of the purchase price, has no repayment requirements, and remains invested in property, reducing the purchase price to the next owner. The program serves approx. 20 households annually.
- The **H20 Loan** is limited to up to 50% of the home's purchase price up to $50,000. The H2O loan must be paid as a balloon payment at the end of 15 years or upon transfer. This program serves 3 to 4 households each year. Dramatically fewer households use this loan now than 5 years ago. It is most popular among 1- to 2-person households as the allowable amount does not bridge affordability gap for larger households seeking larger homes.

Implementation Options:

1. Explore expanding the down-payment assistance program to include middle-income homebuyers and to increase the maximum amount per unit.
2. Explore reinstating the First Home Gap Financing Grant.

Goals Addressed Through this Tool:

✓ ***Strengthen Our Commitments***

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SOLUTION GRANT MAX INCOME (LOW/MODERATE INCOME)

1 PERSON	$51,490
2 PEOPLE	$58,850
3 PEOPLE	$66,220
4 PEOPLE	$73,520
5 PEOPLE	$79,450

H20 LOAN MAX INCOME (LOW/MODERATE INCOME)

1 PERSON	$53,870
2 PEOPLE	$61,600
3 PEOPLE	$69,340
4 PEOPLE	$76,940
5 PEOPLE	$83,200

Maximum allowable incomes for different sized households to qualify for two Homeownership programs. *Source: bouldercolorado.gov/homeownership*

[1] Assumptions: 5% down payment; 4.6% interest rate; 30-year fixed term mortgage, no debt

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***

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True Corner—22 permanently affordable condominiums.
Source:*www.forumre.com/communities/colorado/boulder/true-corner-condominiums*

B4. Revenue Sources for Affordable Housing

This tool would broadly explore other sources of revenue for affordable housing, such as a local housing trust fund, a revolving loan fund, occupation/head tax, hotel/accommodations tax, sales tax, and property taxes.

Key Issues:

- Raising or implementing new taxes for affordable housing requires conducting feasibility studies and often has political consequences.
- In Colorado, taxes are fixed and all new taxes are subject to the Tax Payer Bill of Rights or TABOR. Under TABOR, state and local governments cannot raise tax rates without voter approval.
- Raising or implementing any additional taxes requires public will.
- In the past, proposals to raise taxes, including occupation taxes (1994) and hotel taxes, were defeated by voters.

Background:

There are four main sources of city-administered funds that help to subsidize the acquisition and construction of affordable housing in Boulder: the Affordable Housing Fund, the Community Housing Assistance Program (CHAP), HOME, and the Community Development Block Grant (CDBG) Program. Revenue for these funds comes from a combination of city property taxes, a housing excise tax, Inclusionary Housing cash in lieu, the downtown linkage fee, city sales tax, and state and federal funds (2013). There have been efforts in the past to raise a variety of taxes to support affordable housing; all proposals were defeated at the ballot by voters.

Illustration. *Source: http://njplanning.org/wp-content/uploads/Affordable-Housing.jpg, accessed November 17, 2014*

Implementation Options:

1. Consider raising or implementing new taxes for affordable housing (i.e., occupational tax, hotel/accommodations tax, general sales tax, and property tax).*

   2010 AHTF RECOMMENDED

2. Explore establishing a revolving loan fund.

   2010 AHTF RECOMMENDED

3. Explore establishing a housing trust fund.

Goals Addressed Through this Tool:

✓ ***Strengthen Our Commitments***

✓ ***Maintain the Middle***

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B5. Annexation

When properties in the county annex to the city, they must meet certain requirements. One of the recent requirements for properties with residential development potential has been provision of permanently affordable housing. These requirements could be revised to help meet the community's housing goals.

Key Issues:

- The policy and practice for the past several years has been that 40-60 percent of the new development in an annexation be permanently affordable to low-/moderate- and middle-income households, usually split evenly between the two income groups. This mix could be modified depending on the desired housing outcomes identified by Housing Boulder.
- Meeting annexation requirements can be especially difficult for small properties. If the city is seeking more small property annexations as a way to increase housing supply, it may be possible to adjust the requirements for small annexations.

Background:

- Proposed annexations with additional development potential need to demonstrate community benefit consistent with Boulder Valley Comprehensive Plan (BVCP) policies in order to offset the potential impacts of additional development. For proposed residential development, emphasis is given to the provision of permanently affordable housing.
- The BVCP lists the following additional benefits that may be considered as part of an annexation request:
  - o Receiving sites for transferable development rights;
  - o Reduction of future employment projections;
  - o Land or facilities for public purposes over and above that required by the land use regulations;
  - o Environmental preservation; or
  - o Other amenities determined by the city to be a special opportunity or benefit.

  If other important community benefits are provided in the proposed development, a minimum of 40 percent of the new development could be provided as permanently affordable to low- and middle-income households.
- Annexation requests that do not result in additional density are not expected to provide the same level of community benefit required of vacant, developable parcels.

Implementation Options:

1. Depending on analysis of development feasibility and market for more deed-restricted middle-income housing, consider modifications to the required mixture of housing types.
2. Consider adjusting requirements to facilitate annexation of smaller properties, which could increase the overall number of new housing units.

Goals Addressed Through this Tool:

✓ ***Strengthen Our Commitments***

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Middle-income, permanently affordable units come into the city through annexation. *Source: City of Boulder Homeownership Program*

C. PRESERVATION STRATEGIES

C1. Community Land Trusts

C2. Land Banking

C3. Preservation of Rental Affordability

C1. Community Land Trusts

A Community Land Trust (CLT) creates permanent affordability by severing the value of the land and the improvements (e.g., the house). The land is held in trust by a nonprofit or other entity and then leased to the homeowner. The homeowner enjoys most of the rights of homeownership, but restrictions are placed on use (e.g., owner occupancy requirement) and price restrictions on resale ensure that the home remains affordable.

Key Issues:

- The Community Land Trust (CLT) grew out of a community organizing and empowerment philosophy. The traditional CLT model is a democratically structured nonprofit corporation with open membership and a board of trustees. The tripartite board includes an equal share of CLT residents, residents of the broader community, and public-interest representatives. When a traditional CLT model is embraced, desired outcomes expand beyond redistribution of land value to include cultivating residents as community leaders.
- Strictly as a mechanism for creating permanent affordability, which is primarily how Thistle Communities' CLT functions, CLTs are duplicative of the city's deed restriction program.
- CLTs require education, time, and thoughtfulness to execute.
- CLTs have been used to ensure permanent affordability of owned homes, cooperative housing, and rental housing, and even to preserve nonprofit space and other community-oriented commercial assets.

Background:

Historically, Thistle Communities' homeownership program was a CLT. Thistle continues to steward/manage the affordability of CLT homes in Boulder; however, when Thistle builds new homes in the city, they preserve affordability using the city's deed restriction program.

Implementation Options:

No options are proposed for the CLT. As a mechanism to create permanently affordable housing, it is duplicative of the city's deed restriction program. Other housing providers can explore this option independently at any time.

Goals Addressed Through this Tool:

✓ ***Strengthen Our Commitments***

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Buena Vista CLT (land owned by Thistle Communities); *Source: Thistlecommunities.org accessed September 9, 2014*

C2. Land Banking

Land banking is the purchase of land by the city or a nonprofit housing corporation as a future site for affordable housing or other housing that meets community goals. In Boulder, one of the options for fulfilling the Inclusionary Housing (IH) requirement on a market-rate housing development is to donate land. The city has used this tool selectively in the past and can continue the practice of land banking as opportunity arises.

Key Issues:

- Banked land presents the city with flexibility to develop innovative projects that deliver significant and varying community benefits.
- Land banking promotes equity across time (i.e., future generations can weigh in on a vision for the community and make decisions that are appropriate to those later conditions).
- Land banking could reduce future development costs.
- Visions regarding site development often change from the time of original banking to time of actual development; there is no guarantee that land banked with the intent of developing affordable housing will ultimately serve that purpose.
- There is a limited supply of undeveloped land in Boulder.
- Land banking requires political support and must be significant or an otherwise high priority action item to the community. In Boulder, there are many other current opportunities and needs that require immediate funding, thus land banking a site that will not be developed for a number of years is often not viewed as a priority.

Background:

As opportunity arises, the City of Boulder banks sites with the intention of future development. There is a mechanism and process in place to identify sites for acquisition.

Implementation Options:

1. Explore specifically earmarking funds for future land banking activities.

Goals Addressed Through this Tool:

✓ ***Strengthen Our Commitments***

✓ ***Maintain the Middle***

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Illustration of Land Banking. *Source: landbanking.com, accessed November 13, 2014*

C3. Preservation of Rental Affordability

As rental and for-sale home prices continue to escalate in Boulder, it is important to consider options to preserve the existing affordability of the housing stock well into the future. This tool would explore preservation of the affordability of housing currently affordable to low- to middle-income households.

Key Issues:

- In the future, there will be less opportunity for new-built affordable housing.
- As the amount of vacant land in Boulder diminishes and land values increase, there is increasing pressure to rehab and raise rents on existing "market affordable" rental properties.
- Possible risks to the affordability of this housing include expiration of federal affordability requirements, sale of the property or asset, and organizational instability, among other factors.
- According to the Boulder Housing Partners (BHP) Strategic Plan Draft Update, Boulder has lost an average of 1,000 units of market affordable housing inventory per year, every year, for the past 12 years.
- The BHP Strategic Plan Update found that there was a 61% decline in for-sale homes valued below $300K in Boulder. The study concluded that if this rate of decline continues, by 2020, Boulder will have no market-rate, for-sale homes affordable to households earning less than $100,000.
- The 2014 CHS Housing Choice Survey identified a variety of factors that Boulder residents and in-commuters consider in purchasing a home. This information could be incorporated into a preservation strategy.

Background:

- Within the city's 10% permanent affordability housing goal, the city tracks a category of housing deemed "likely to remain affordable" (LTRA). This category includes 1,005 rental and for-sale homes without permanent affordability covenants; residents are still subject to income qualifications and pay below market housing costs.
- Most of the 1,750 affordable housing units created prior to the year 2000 were not considered permanently affordable. Of the 1,750 affordable housing units in the year 2000, 520 (including 122 shelter or group home beds) were secured by covenant, while the remainder—1,230—consisted of public housing units or units owned by other community agencies and fell into the "likely to remain affordable" category.
- The BHP Strategic Plan Update seeks to preserve middle-income housing; BHP aspires to add 2,000 mixed-income units to its portfolio over the next 10 years.
- There are 450 permanently affordable homes targeted to middle-income homeowners in the city's portfolio.
- There are 99 middle-income units in the city's portfolio that become permanently affordable as part of annexations.

Implementation Options:

1. Consider using Inclusionary Housing to deed restrict LTRA units.
2. Study risks to LTRA units.
3. Explore expanding the supply of permanently affordable middle-income housing.
4. Study ways to maintain middle-income housing opportunities that will remain affordable into the future and are not covenanted.
5. Include mechanisms to preserve affordability of market-rate units, such as ensuring a right of first refusal for renters to purchase their lower-cost apartment buildings if they are proposed to be converted to expensive condominiums.

2010 AHTF RECOMMENDED

Goals Addressed Through this Tool:

✓ ***Strengthen Our Commitments***

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D. PARTNERSHIP INITIATIVES

D1. Employer-Assisted Housing

D2. Green and Location-Efficient Mortgages

D3. Housing Choice (Section 8) Voucher Options

D4. Reverse Mortgages

D5. University Student, Faculty, and Staff Housing

D1. Employer-Assisted Housing

Employer-assisted housing (EAH) can be provided directly to the individual employee in the form of mortgage subsidies, down-payment assistance, relocation payments, and the like; or the city can help to increase the supply of housing by requiring or encouraging employers to participate in the development of additional housing units through such actions as the provision of land, construction financing or purchase/lease guarantees, and down-payment assistance.

Key Issues:

- Jobs/Housing Balance Project: The job growth rate was historically double the housing growth rate (1980-1995).
- Only 41% of employees live in Boulder, with the remainder commuting from a variety of other counties.
- People who live and work in Boulder drive fewer miles to work and are less likely to drive alone than their in-commuting counterparts. Longer commutes increase household expenses.
- Housing vacancy rates in Boulder are extremely low for both rental and ownership housing; they are among the lowest in Colorado.
- Many employers will not invest their own money in housing assistance programs; therefore, this tool could require either a tax on employers or a tax on the city to design and implement programs.
- Employers are not usually interested in providing affordable housing for workers unless they view high housing costs as a significant barrier to worker recruitment and retention.
- Small employers may not find it cost-effective to manage an EAH program.
- The potential benefit will depend on the scope and design of a program (e.g., mandatory vs. optional) and the interest of employers in such a program.

Background:

Currently, some Boulder employers independently offer some level of housing assistance, such as relocation assistance or down-payment assistance.

Implementation Options:

1. Educate and encourage employers to assist employees with housing.
2. Consider a demonstration project to develop housing for essential (i.e., police, fire, etc.) City of Boulder employees.
3. Explore options such as a matching funds program to partner with employers to establish employer-assisted housing programs.

Goals Addressed Through this Tool:

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	Homeowners		Renters	
Income	*In-Commuters*	*Boulder Residents*	*In-Commuters*	*Boulder Residents*
Less than $10,000	0.4%	1%	1%	2%
$10,000 up to $25,000	1%	3%	7%	13%
$25,000 up to $65,000	16%	17%	50%	40%
$65,000 up to $100,000	28%	23%	24%	25%
$100,000 up to $125,000	18%	16%	9%	7%
$125,000 up to $150,000	15%	12%	3%	6%
$150,000 or more	22%	29%	6%	6%
n=	797	720	306	579

Comparison of In-Commuter and Boulder Resident Income by Housing Tenure. *Source: BBC Research and Consulting Market Analysis Report, 2014*

D2. Green and Location-Efficient Mortgages

***Green mortgages**, also called **energy-efficient mortgages**, allow the homebuyer to roll the costs of making specific energy-saving improvements into the purchase price of a home. **Location-Efficient Mortgages® (LEMs)** increase the borrowing ability of homebuyers in areas that are more walkable and provide good multimodal access, on the assumption that households in these areas will have more income available that can be directed toward housing.*

Key Issues:

- The city has limited ability to affect the mortgage market.
- Both mortgages allow borrowers to borrow more money than standard underwriting would otherwise allow.
- Both mortgages present the homebuyer with a more diverse range of options in the housing market by allowing households with lower energy and transportation costs to qualify for a larger home loan amount.

Background:

National: In June of 2013, Senator Michael Bennet introduced a bill, the Sensible Accounting to Value Energy Act (SAVE), which would allow buyers of energy-efficient homes to qualify for larger mortgages.

The Green Resources for Neighborhoods Act of 2010, also referred to as the Green Act of 2010, directs the Secretary of Housing and Urban Development (HUD) to establish annual energy efficiency participation incentives to encourage participants in HUD programs to achieve substantial improvements in energy efficiency. Specifically, section 7 amends the Energy Policy Act of 1992 to require the Secretary to "establish a commission to develop and recommend model mortgage products and underwriting guidelines that provide market-based incentives to incorporate energy efficiency upgrades and location efficiencies in new mortgage loan transactions."

Beginning in 1995, Location-Efficient Mortgages® (LEMs) were a concept developed by the nonprofit Institute for Location Efficiency. Based on their research, in 2003, Fannie Mae sponsored a market test of LEMs in Los Angeles, Chicago, and Seattle. The LEM Program allowed borrowers who lived near mass transit to qualify for larger mortgages and coupled their location-efficient mortgage with a 30-year transit pass. LEMs were discontinued in 2008 during the national lending crisis.

Implementation Options:

1. Study the city's role in promoting green mortgages and location-efficient mortgage options to homebuyers.

Goals Addressed Through this Tool:

Strengthen Our Commitments

✓ ***Maintain the Middle***

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Boulder Junction. *Source: www.bouldercolorado.gov*

D3. Housing Choice (Section 8) Voucher Options

The federal Housing Choice Voucher (HCV) Program, "Section 8", subsidizes the difference between 30 to 40 percent of a household's income and the area's Fair Market Rent (FMR). At least 75% of households must have incomes below 30 percent of the Area Median Income (AMI) and may not exceed 50 percent AMI. Vouchers can be used in market-provided or affordable housing.

Key Issues:

- The city has no direct influence on the provision or finance of HCVs.
- Federal policy prohibits local (city) subsidy to HCVs.
- Unlike investment in permanently affordable housing, Section 8 Vouchers are not a 'renewable investment'; they are a one-time investment.
- Housing and Urban Development (HUD) sets Fair Market Rent (FMR) in Boulder County lower than what can be commanded by private landlords; therefore, it is challenging to find private landlords willing to accept HCV-holding households.
- Paperwork and safety inspections can be disincentives to private market landlords who might otherwise accept HCVs.
- Landlords are not required to accept HCV tenants; they can legally deny Section 8 tenants based on credit checks, background checks, and other factors that do not violate Fair Housing.
- Households currently receiving rental assistance from Boulder Housing Partners (BHP)—there are 900 in total—face challenges associated with finding housing in Boulder on the limited rent associated with their voucher.
- 30% of vouchers issued to Boulder families end up elsewhere in the country and beyond.

Background:

- Demand for vouchers far outstrips supply; BHP and other organizations that administer voucher programs locally distribute vouchers using a lottery process.
- In the past, the Human Services Department explored making "source of income", which would include HCVs, a protected class; however, it was determined that because of the legal options to deny HCV holders, there would be little real-world impact.
- Boulder Housing Partners (BHP), the Boulder County Housing Authority (BCHA), Longmont Housing Authority (LHA), Mental Health Partners, and the Center for People with Disabilities allocate tenant-based vouchers in Boulder County.
- In 2012 in Boulder, 464 HCVs were in rental units available through the private market. These are included in the affordable housing inventory as "Likely to Remain Affordable" units.
- Boulder County convenes a group called Landlord and Community Relations, which is co-led by BCHA and BHP, and works to educate landlords about housing people with housing barriers.

Implementation Options:

1. Explore participating in HUD's Small Area Fair Market Rent (SAFMR) Program, which allows higher FMRs based on zip codes.
2. Consider passing a city ordinance that makes "source of income" (including Section 8) a protected class (i.e., prevents landlords from refusing to accept Section 8 tenants).
3. Explore incentives that the city could offer.
4. Explore offering landlord incentives, such as a fund that provides enhanced security deposits.

Goals Addressed Through this Tool:

✓ ***Strengthen Our Commitments***

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In 2014, Fair Market Rent for a 2-BR apartment in Boulder is $1,178 (Source: www.huduser.org); however, according to the average 2-BR/2-BA rent in the Boulder/Denver Area, it was $1,412 in Q3 (Quarter 3) of 2013.

D4. Reverse Mortgages

A reverse mortgage is a federal government-backed program that allows homeowners age 62+ to tap into the equity in their home.

A reverse mortgage converts home equity into cash in several different ways (e.g., monthly payments to the homeowner, equity line, and one-time payout). The loan is repaid when the owner dies, sells his/her home, or when the home is no longer a primary residence. The proceeds of a reverse mortgage generally are tax-free, and many reverse mortgages have no income restrictions.

Key Issues:

- Fees are quite high on reverse mortgages relative to other lending products and risks to borrowers are unique; therefore, homeowners must be strategic in order to benefit from a reverse mortgage without undue risk.
- By definition, reverse mortgages erode the equity in one's home and they are not appropriate for all older households.
- Despite the risks, for some older seniors, tapping the equity in one's home may provide the only opportunity to age in place and pay for costly medical bills while living on a fixed income.

Background:

- Financial counseling is required to obtain a reverse mortgage; Boulder County Housing Counseling offers reverse mortgage counseling.
- The reverse mortgage has been available since 1989.
- In Boulder, it is estimated that 2,956 age 62+ homeowners (58% of age 62+ homeowners) own their homes outright.
- An estimated 1,154 age 62+ homeowners earn less than $30k annually.

Implementation Options:

1. Explore creating a city marketing effort to promote the use of reverse mortgages.
2. Explore creating a city-sponsored lease/purchase program.

Goals Addressed Through this Tool:

Strengthen Our Commitments

Maintain the Middle

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✓ ***Enable Aging in Place***

Source: New York Times, *"Rules for Reverse Mortgages May Become More Restrictive", July 12,2013*. Illustration: Robert Neubecker

D5. University Student, Faculty, and Staff Housing

This tool calls for an increased supply of housing for university students, faculty, and staff, both on-campus and off-campus. On-campus housing would be constructed on university-owned sites. Further opportunities could be identified to redevelop and/or rezone appropriate sites near campus.

Key Issues:

- Although the presence of CU in the community provides a broad array of benefits, students, faculty, and staff of CU-Boulder place significant demand on the city's housing stock. All three groups often struggle to find housing that they can afford in the community.
- Student enrollment and faculty and staff numbers are expected to increase, and university research functions will continue to grow, creating more housing demand for all three groups.
- The city's housing program is not designed to address student housing needs. Most students don't qualify for affordable housing programs because they receive support from parents or other third parties and/or work less than 20 hours per week.

Background:

- In fall 2004, CU-Boulder had an enrollment of 29,756. In fall 2013, enrollment was 29,839 (an increase of 83 students over a decade). Over the same time, CU-Boulder added 418 beds.
- CU's Flagship 2030 Strategic Plan projects an additional 6,500 students by 2030. The expectation is that growth will be a combination of undergraduate, graduate and online schools.
- The 2011 Campus Master Plan supports the Flagship 2030 vision, proposing development of the East Campus (generally bounded by 30th Street, Colorado Avenue, Arapahoe Avenue, and Foothills Parkway) as a full campus with higher density building. Growth on Main Campus is limited in the plan, and the South Campus will continue to be reserved as a land bank for future generations.
- CU currently houses approximately 27-30% of the student body and requires freshmen to live on campus, and is setting a goal of increasing the proportion of upperclassmen living on campus from 5 to 20% through the introduction of living-learning environments (Flagship 2030 plan).
- With the renovation of Baker Hall, which was out of service in 2013-14, CU currently has 6,867 residence hall beds on campus.
- Address data indicate that at least 67% of CU students live in Boulder.
- The University of Colorado operates a limited Faculty Housing Assistance Program that offers up to 25% of purchase price or $80,000 (whichever is less) in the form of a down-payment assistance loan that is eligible to faculty selected by the university.
- One example of off-campus housing was city-initiated land use changes—involving rezoning and ongoing private redevelopment of the area on and near the 28th Street Frontage Road—which is producing hundreds of new units of housing, much of which serve students.

Implementation Options:

1. Continue to work with CU to encourage student housing in the university-owned areas of North Boulder Creek, East Campus, and Williams Village.

   2010 AHTF RECOMMENDED

2. Identify areas near campus suitable for additional student housing, possibly as part of the BVCP 2015 Update.

Goals Addressed Through this Tool:

✓ ***Strengthen Our Commitments***

Maintain the Middle

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Create 15-Minute Neighborhoods

✓ ***Strengthen Partnerships***

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Athens Court Student Model—Growing Up Boulder (GUB) partnered with three 3rd-grade classes at Whittier International Elementary School in fall 2013 to explore ways to improve Athens Court, a CU-owned housing site in need of renovation, flood protection, and increased density. *Source: www.growingupboulder.org, accessed November 3, 2014.* Photo by Lynn M. Lickteig

E. LAND USE AND REGULATIONS

E1. Bonuses for Higher Levels of Permanently Affordable Housing

E2. Fee Reductions, Expedited Review Process, and/or Modification of Standards

E3. Height Limit

E4. Land Use Designation and Zoning Changes

E5. Linkage Fees for Non-Residential Development

E6. Occupancy Limits

E7. Residential Growth Management System

E8. Service Area Expansion

E1. Bonuses for Higher Levels of Permanently Affordable Housing

An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides more affordable units than required by Inclusionary Housing. This would be based on—and expand—the bonuses already offered for affordable housing in the Mixed Use 1 (MU-1) and Residential - Mixed 2 (RMX-2) Zone Districts.

A bonus could also be offered to incentivize developers to provide specific housing types. Possible examples include micro-units, age-restricted/senior and family-friendly housing.

Key Issues:

- The current bonus system is used solely by affordable housing developers, as it does not provide enough incentive for market-rate developers. That is because affordable units are a net loss to market developers.
- Additional research would be needed to determine whether a bonus in additional parts of the city or for certain housing types would be attractive to market developers.
- Allowing additional units may be controversial.

Background:

The bonus for affordable housing is offered in two zones:

- The RMX-2 Zone District was originally created for the North Boulder Holiday Neighborhood with the intention of facilitating a high percentage of affordable housing there. The zone also exists in Palo Park, however, Holiday is the only development that has used the bonus and it is now completely built out. The zone allows 10 units per acre without the bonus. The bonus allows five additional units per acre to be built if at least 30 percent of units (in the entire project) are permanently affordable. Additional units are allowed for projects that are at least 35 percent and 40 percent affordable.
- The MU-1 Zone District is also located in the North Boulder Holiday Neighborhood. It allows bonus units to be built in predominantly residential projects if at least 35 percent of units (in the entire project) are permanently affordable. This bonus has not been utilized very much, because affordable housing developers tend to not build mixed-use developments. Therefore, this type of bonus may be most effective in high-density residential zones rather than in mixed-use zones.

Implementation Options:

1. Consider providing a housing bonus in additional zones.
2. Consider providing a bonus for specific housing types.

Goals Addressed Through this Tool:

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Holiday Neighborhood: RMX-2 Zone.
Source: www.holidayneighborhood.com

E2. Fee Reductions, Expedited Review Process, and/or Modification of Standards

This tool would examine real or perceived barriers that development regulations, fees, and review processes create in the development of new housing or rehabilitation of existing housing. Options include amending some standards and fees to reduce construction and development costs for specific housing types, and/or expediting or modifying review processes.

Key Issues:

- A recent builder's focus group for the Housing Boulder Project cited complex, inflexible development standards and lengthy, expensive review processes as major barriers to producing affordable units.
- Relaxing building requirements or development standards, reducing fees and/or expediting or modifying review processes would have trade-offs that need to be considered. For example, the community has high expectations for development design and compatibility, which may be compromised by expediting review or relaxing standards. Similarly, relaxing green building requirements may contradict the community's environmental goals.
- The fees associated with development review and approval are calibrated to recover specific costs. If fees were reduced or waived, those costs would have to be covered by other funding sources.
- Some type of mechanism may need to be considered to ensure that cost savings realized by the developer would translate to lower sale prices/rents.

Background:

- Development approval process changes and fee waivers were proposed by the Land Use Review division several years ago, but were not approved by City Council.
- Some specific barriers described by the builder's focus group include:
  - There seems to be little administrative flexibility to vary development standards, such as open space, setback, parking, and road widths;
  - Lot size minimums and open space requirements tied to number of units, rather than unit size, incentivize larger, more expensive units;
  - Restricting unit size would lead to market production of more relatively affordable homes;
  - Requiring housing type variety within a development drives up design/build costs and adds costly complexity;
  - Parking regulations should be more grounded in Boulder-specific data on car usage and parking needs and neighborhood on-street parking availability and impacts. Expanded EcoPass access could lower developments costs for off-street parking and reduce potential spillover parking in neighborhoods;
  - The development review and approval process is often very lengthy and expensive, and the current fee and tax structure and Inclusionary Housing (IH) requirement negatively affect unit affordability; and
  - The land use and building code are very complex and sometimes conflicting, adding to overall development costs. For example, the height limit is unrelated to the building code-driven logical cutoff for different housing construction types.

Implementation Options:

1. Consider reducing or waiving development review fees, plant investment fees, excise taxes and/or other fees, and/or provide property tax abatement for specific housing types and/or rehabilitation for accessibility.
2. Consider revising the review process for specific housing types and/or rehabilitation.
3. Consider relaxing green building requirements for rehabilitation or additions for accessibility.
4. Consider relaxing development requirements, such as parking, open space, setbacks, and Inclusionary Housing, for certain housing types.

Goals Addressed Through this Tool:

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E3. Height Limit

Raising the 55-foot height limit for residential development in select locations—for example, along transit corridors and in commercial centers—could increase the housing supply. This change would require a voter-approved amendment to the City Charter. Whether to put this issue on a future ballot could be analyzed and discussed as part of the Boulder Valley Comprehensive Plan (BVCP) 2015 Major Update. Another alternative approach, which would not require voter approval, would be to revise the zoning code so that more residential development proposals over 35 feet are allowed by right, rather than by special review.

Key Issues:

- Although the Boulder Valley Comprehensive Plan (BVCP) supports increased density in select locations, such as in commercial and industrial areas and along transit corridors (Policy 2.16), and also has policies about appropriate building scale, the plan does not directly address the issue of building height.
- The current height limit is found in the City Charter and therefore any change would need to be approved by voters. Through the 2015 BVCP Update process, the community and decision-makers could analyze and discuss whether the issue should be placed in a future ballot.
- Exceeding the height limit could be conditioned for only certain housing types or levels of affordability.
- Raising the height limit for residential development could increase the supply of attached housing units. The amount would depend on location and building height.
- Allowing more by-right residential developments over 35 feet could incentivize and facilitate construction of additional attached housing units.

Background:

The current 55-foot height limit was added to the City Charter (Article V. Section 84) by popular vote in 1971, after citizens petitioned City Council to place the issue on the ballot. In 1998, voters approved a special exception in the charter for how height is measured in the Crossroads area, as a way to help facilitate redevelopment of the Crossroads Mall, now 29th Street.

The land use code requires that proposed buildings exceeding 35-40 feet in height (depending on the zone district) go through a discretionary review process for approval. This introduces more risk and adds cost to the development process than if the development were allowed by right.

Implementation Options:

1. As part of the BVCP 2015 Major Update, consider whether a charter amendment should be pursued to increase the height limit in certain parts of the city.
2. Consider revising the zoning code to allow more by-right development of residential proposals over 35 feet in height.

Goals Addressed Through this Tool:

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E4. Land Use Designation and Zoning Changes

The Boulder Valley Comprehensive Plan (BVCP) Land Use Designation Map broadly indicates the type of land use appropriate for each parcel of land in the city and the range of development intensity that should be allowed by the parcel's zoning. Changes to the Land Use Map can be made through regular updates to the BVCP (next update in 2015). Land use and zoning changes can also be considered as part of an area planning process.

Key Issues:

- Changes to land use designation are usually made as part of regular updates to the BVCP, with the next update to occur in 2015.
- Zoning changes follow any land use designation changes. Zoning regulates on a more detailed level the specific types of uses and the intensity of development that is allowed in each zone. For example, zoning changes can be made to reduce minimum lot size or increase allowed building size.
- As part of every five-year BVCP Major Update, the city updates its projections of how many additional housing units and jobs can be added based on zoning. While there is little vacant land left to develop in the city, a lot of redevelopment could occur under current zoning. The BVCP 2015 Update will provide an up-to-date view of development/ redevelopment potential prior to community discussions about whether land use designation changes should be considered.
- Two key ways to increase the amount of housing in the city would be to allow higher densities in residential areas and/or along transit corridors and/or allow more mixed use in commercial and industrial areas (see BVCP policies 2.16 and 7.10). These types of development would provide mostly attached units. However, without additional regulation, there's no guarantee that these would be small or affordable. For example, much of the mixed use that has been built downtown and elsewhere is relatively upscale. But regardless of price, mixed-use development can reduce residents' transportation expenses, if commercial and other services and/or jobs are within walking or biking distance.
- Another avenue for analyzing and considering land use changes is through an area planning process. The city can initiate an area planning process for a particular part of the city at any time. Zoning changes usually follow adoption of an area plan. Examples of area planning include the North Boulder Sub-community Plan, the Transit Village Area/Boulder Junction Plan, and Envision East Arapahoe project, currently underway.
- A "community benefit" requirement could be added specifying that for any "upzoning" (giving a property more development potential), the developer must provide more affordable housing than normally required.

Background:

- Major updates to the BVCP occur every five years and include consideration of land use designation changes with community and property owner input. Changes within the city must be approved by both Planning Board and City Council. Changes within the Boulder Valley but not within the city (Areas II and III) must also be approved by the Boulder County Planning Commission and Board of Commissioners. Area plans are approved by Planning Board and City Council.
- The BVCP has policies supporting mixed use and higher densities in select areas (e.g., Policy 2.16). Over the past couple of decades, changes have been made through BVCP updates and area planning processes to allow more mixed use and higher densities in specific parts of the city, for example, downtown, North Boulder, and Transit Village/Boulder Junction.

Implementation Options:

1. Consider land use changes in the BVCP 2015 Major Update to allow additional residential development in certain areas, potentially in exchange for an affordable housing "community benefit" requirement upon re-zoning.
2. Identify specific areas for an area planning process that would consider land use and zoning changes to allow more residential development, potentially in exchange for an affordable housing "community benefit" requirement upon re-zoning.

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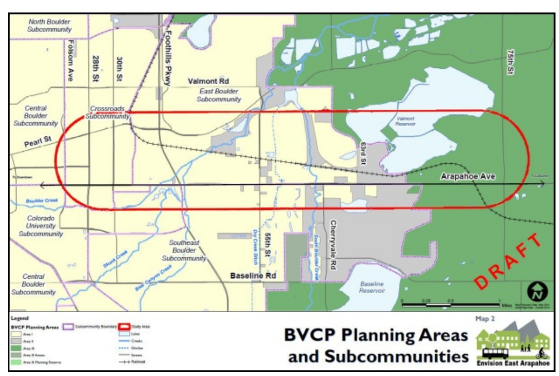

Envision East Arapahoe Project Planning Area. *Source: bouldercolorado.gov/planning/east-arapahoe-planning-project, accessed November 13, 2014*

E5. Linkage Fees for Non-Residential Development

Linkage fees are a type of impact fee based on the source of the impact. In this case, the fee is based on the impact of commercial and industrial development creating additional housing demand. New non-residential development generates jobs, which triggers housing needs for workers. Commercial and/or industrial developers are charged fees, usually assessed per square foot, which are then used to build new housing units. A community-wide analysis is usually performed to estimate the type and amount of jobs and wages expected to be generated by new development.

Key Issues:

- The Affordable Housing Fund is currently substantially funded by cash-in-lieu payments from new residential development as required by Inclusionary Housing. Should new non-residential development contribute more to the Affordable Housing Fund than it does now?
- Linkage fees could be expanded to apply to more non-residential development.
- Fees would go into the Affordable Housing Fund and could then be directed toward a variety of housing-related projects.
- The linkage fee tool is the tool that most directly relates job growth to demand for workforce housing.
- This tool could face legal challenges.
- Revenue from a linkage fee varies annually depending on the number of new projects built in this zone.

Background:

A commercial linkage fee is assessed on additional density (density bonus) for commercial projects in the Downtown High Density 5 (DT-5) Zone District. The rate is $9.53 per square foot. Between 2008 and May 6, 2014, only $94,503 in linkage fees has been paid. An additional $599,742 has been assessed and remains due. One recent project that will be subject to the linkage fee is the former Daily Camera building redevelopment at the corner of 9th and Pearl.

Implementation Options:

1. Consider expanding the linkage program.

Goals Addressed Through this Tool:

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Proposed redevelopment of Daily Camera building; located in DT-5 and subject to density bonus linkage fee. *Source: Dailycamera.com, accessed September 9, 2014*

E6. Occupancy Limits

Land use regulations limit the number of unrelated persons who may occupy a dwelling unit. Use of this tool would raise or eliminate the limit—citywide or in specific areas—so that more people can share and thereby reduce their living costs.

Key Issues:

- Increased or eliminated occupancy limits could greatly increase housing choice and opportunity in Boulder.
- The current code, 9-8-5 Occupancy of Dwelling Units, allows up to three unrelated persons in low-density residential districts and up to four in medium-density and high-density districts.
- Two exceptions to the occupancy limits: The cooperative housing ordinance allows an increase over the occupancy limit on a limited and selective basis. There are also a limited number of legal non-conforming units which have occupancies greater than currently allowed in the zone.
- Preliminary outreach found that many residents, particularly in single-family neighborhoods, are concerned that raising the occupancy limit could create more noise, activity, trash, traffic, and parking problems.
- Considering higher occupancy limits for seniors was identified as an "early win" task for Housing Boulder and is currently underway.
- A study/analysis could help to predict demand for people electing to live at higher occupancies than they currently are.
- Removing or significantly increasing occupancy limits could normalize a number of currently illicit rentals and increase legal housing availability.
- Higher occupancy limits could enable new housing models. For example, new student housing tends to default to four bedrooms, yet other unit types could emerge if occupancy limits change.

Background:

Boulder: Current occupancy limits have been in place since 1981. Occupancy limits in Boulder are enforced on a complaint basis.

Elsewhere: Most university towns nationwide have occupancy limits in place; however, a number of Northeast cities have no limits on unrelated roommates—the Oregon State University (OSU) campus in Bend, Oregon is one of them.

California Supreme Court held that it was impermissible to have different zoning rules for related individuals than for those unrelated, writing, "In general, zoning ordinances are much less suspect when they focus on the use than when they command inquiry into who are the users." California cities have been unable to enforce any occupancy restrictions. Instead, occupancy limits are determined by size of units, rather than their number of bedrooms. California codes establish limits based on square footage: 70 to 119 square feet can accommodate two people and 120 to 169 square feet can accommodate three people.

Implementation Options:

1. Explore revisions of occupancy limits by zone.

   2010 AHTF RECOMMENDED

2. Consider establishing a pilot project in a specific site or neighborhood district.
3. Explore eliminating occupancy limits.

Goals Addressed Through this Tool:

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E7. Residential Growth Management System

The Residential Growth Management System (RGMS) was put in place to limit the rate of residential growth to no more than one percent annually. Most new residential units must first secure an allocation through the RGMS, and the number of allocations is limited each year. Exemptions have been added over the years for mixed use, affordable housing, and other housing types, which have enabled the growth rate to exceed one percent.

Key Issues:

- While obtaining allocations through the RGMS is an additional step in the development review and approval process, for most projects it is not a cumbersome step.
- The annual limit on allocations has never been reached. This has been the case in recent years due to exemptions for certain housing types. Therefore, the system has not directly limited the number of units that could be built.
- For these reasons and because of the exemptions (detailed below), staff does not believe that revisiting the RGMS would provide more housing choice or affordability. The tool is in place to control the rate of growth, not the overall amount of housing or housing types. There are more effective tools for influencing the latter.

Background:

The RGMS was originally enacted in 1977 and has been revised over the years. It was put in place to limit the rate of residential growth to no more than one percent annually to preserve the city's unique environment and high quality of life and assure that growth proceeds in an orderly manner and does not exceed the availability of public facilities and services.

The current system exempts:

- Permanently affordable housing;
- Non-affordable units in projects providing more than 35 percent affordable units;
- CU housing for students, staff, and faculty;
- Mixed-use developments;
- Developments on land that has been rezoned from business, downtown, or certain mixed-use zoning to residential;
- New units in landmarked buildings; and
- Group housing for a special population—defined as those over age 60, disabled persons, single parents, and the homeless.

Approximately 450 allocations are available this year, and the number of allocations increases every year as the number of existing residential units grows.

Implementation Options:

No options are proposed at this time; at this time, city staff believes that changes to the RGMS will have little impact on housing choice and/or affordability.

Goals Addressed Through this Tool:

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E8. Service Area Expansion

The Planning Reserve is an approximately 500-acre area northeast of U.S. 36, roughly between its intersections with Jay Road and Broadway. The area has been designated in the Boulder Valley Comprehensive Plan (BVCP) as a location where the city and county could consider expanding the city limits, providing city services, and allowing urban-scale development in the future. Development could include housing. The process for considering such a change would be part of the BVCP 2015 Major Update. The existing rural land uses and character of the area will be preserved until and unless that change is made.

Key Issues:

- Expanding the city Service Area to include the Planning Reserve would allow property owners to develop their properties on an urban scale. The city and county could stipulate that the area may only be developed with a high percentage of affordable housing and/or a diversity of housing types (along with supporting or entirely different land uses).
- The land use designation and zoning approved for the area would determine the number and type of housing units that could be built.
- The process for considering and approving an expansion of the city Service Area into the Planning Reserve is only generally outlined in the Boulder Valley Comprehensive Plan. Before considering an expansion, the city and county would need to agree on the details of the analysis and approval process as part of the five-year BVCP 2015 Major Update. During the BVCP 2010 Update, the city and county discussed but did not reach agreement on proposed revisions to the process. There were, and may continue to be, some fundamental differences of opinion about the process.

Background:

Changes to the process outlined in the BVCP for expanding the city Service Area into the Planning Reserve were discussed in the last BVCP Major Update (2010), but no changes were approved. Currently, both the city and the county would need to approve consideration of expansion of the Service Area and then a Service Area Expansion Plan would need to be prepared. The components of an expansion plan are outlined in the Amendment Procedures chapter of the BVCP, in section 3.c.(3). The criteria for approving an expansion are described in Section 3.b.(1) (same link as above). Two key criteria are:

- Provision of a community need: Taking into consideration an identified range of desired community needs, the proposed change must provide for a priority need that cannot be met within the existing Service Area.
- No major negative impacts: The Service Area Expansion Plan must demonstrate that community benefits outweigh development costs and negative impacts from new development and that negative impacts are avoided/adequately mitigated. Thus, a Service Area Expansion Plan will set conditions for new development and will specify the respective roles of the city and the private sector in adequately dealing with development impacts.

Implementation Options:

1. The city and county would decide whether the BVCP 2015 Update should include analysis and deliberation on an expansion of the Service Area into the Planning Reserve and would need to agree on the details of the process for doing this.

Goals Addressed Through this Tool:

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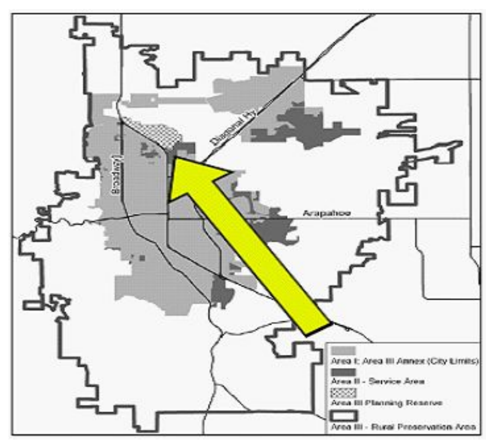

Area III Planning Reserve Location. *Source: www.boulderblueline.org, accessed November 13, 2014*

F. OTHER

F1. Homeowner Association (HOA) Fee Affordability

F2. Housing Advisory Board

F3. Regional Solutions and State-Level Advocacy

F4. Rent Control

F1. Homeowners' Association (HOA) Fee Affordability

A Homeowners' Association (HOA) is a self-governing association that, in most cases, is created by a real estate developer for the purpose of controlling the appearance of the community and managing common area assets. HOAs are handed off for private control to the homeowners. Association dues are used to cover maintenance, capital improvements, and upgrades.

Key Issues:

- General HOA issues:
  - HOA regulations are established by the state legislature. The city has limited power to intervene in HOAs' bylaws.
  - There is a tension between ensuring homes remain affordable and meeting ongoing and long-term maintenance and emergencies needs.
  - The best run HOAs commission complete capital needs studies, anticipate and handle maintenance needs, and structure fees to sufficiently cover anticipated costs.
  - There is a tendency to reduce fees initially and under save for long-term needs, resulting in larger fees and assessments for older HOAs.
  - Small associations can run into problems when they can't afford professional management.
  - Increasingly, older market-rate owners report being priced out of their homes as HOA facilities age and capital needs increase.
  - Fee controls established by the city can be amended by HOAs.
- HOAs and permanently affordable homes:
  - Master-developed land, a major source of new affordable ownership opportunities in Boulder, typically comes with HOA membership.
  - HOA fees are included in the initial pricing and affordability calculation; however, the city has no control over future HOA dues increases.
  - Affordable buyers in HOAs hold a minority vote.
  - Currently at Dakota Ridge and the Peloton, HOA fees are over $300/month; this ends up being one-third to one-quarter of the homeowner's monthly housing debt. High HOA fees deter some affordable buyers from these communities.

Implementation Options:

1. Explore requiring an income-based sliding scale for any new HOAs formed and distributing HOA fees according to home value.
2. Explore offering loans and grants to people facing special assessments and analyze the possibility of providing a city subsidy to units that exceed a certain ratio of monthly housing payment to HOA fee.

   2010 AHTF RECOMMENDED

3. Continue outreach efforts with HOAs.

   2010 AHTF RECOMMENDED

Goals Addressed Through this Tool:

✓ ***Strengthen Our Commitments***

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F2. Housing Advisory Board

A Housing Advisory Board, or other similar entity, could offer technical expertise, additional community representation in decisions related to housing, and holistic consideration of the housing market in Boulder. Additional project scrutiny in particular could increase already high risks of developing in Boulder and add project costs, ultimately making housing more expensive. Proposed here are three options that could be explored.

Key Issues:

- The city has boards to advise council on transportation, land use, design in the downtown, historic preservation, and natural resources, but not housing.
- Advocates for a housing board desire a citizen board that would offer deep expertise to advise the city on individual projects and broader policy considerations such as market impacts and timing.
- It will be necessary to define the scope or role of the board, identifying how it could overlap or coexist with existing boards, thus ensuring it does not duplicate other entities.
- In stakeholder meetings not related to the advisory board concept, some housing developers have expressed concern about additional process that an advisory board would create that could increase project costs and risk.
- Typically, housing developments have been subject to significant scrutiny prior to the point at which a housing advisory board would consider a project.
- This tool could create an extra cost for staff or city in general, requiring additional staffing resources to support the work of the new board.

Background:

- In 2014, beyond the resources that City Council and City Housing and Planning staff represent, there is no entity at the disposal of council that is focused on broader housing market dynamics.
- In Boulder in 2014, two advisory committees weigh in on affordable housing considerations: The Technical Review Group (TRG)—appointed by the City Manager—advises the Community Investment Team on affordable housing funding, while the Homeownership Committee—appointed by city staff—reviews and advises staff on Homeownership Program policies, issues, and requests for variances by applicants to the program.
- With the exception of by-right projects, which do not require review, housing developments are heavily scrutinized.

Implementation Options:

1. Consider creating a housing advisory board appointed by City Council.
2. Consider expanding the role of housing authority commissioners.
3. Explore expanding the role of an existing group appointed by the City Manager to support staff.

Goals Addressed Through this Tool:

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F3. Regional Solutions and State-Level Advocacy

The availability of affordable housing has become an increasing concern throughout the county and region. A regional approach may be required. With more workers commuting farther between home and work, increased traffic congestion and greenhouse gas emissions have become a greater concern. Also, Boulder has set a precedent of endorsing policy and action on the state level and beyond that aligns with our vision for the city. One example is the city signing the Kyoto Protocol, thereby assuming a leadership role on the climate change front.

Key Issues:

- A regional dialogue around housing could better connect housing and the workforce, and could ensure that communities throughout the region preserve and pursue affordable housing for their residents.
- Though there are significant opportunities to expand our housing stock, Boulder cannot house its whole workforce (Housing Choice Survey, 2014).
- Boulder has become increasingly interdependent with other communities also facing unique and dynamic housing challenges and opportunities.
- While regional efforts can be fruitful, the work required does not guarantee results because of often divergent interests at the table.
- Some constraints on housing solutions in Boulder are legislated at the state level (e.g., HOA rules, rent control).

Background:

- The city has ongoing regional ties through the HOME Consortium, RTD, the Denver Regional Council of Governments (DRCOG), and the September 2013 flood event.
- Despite years of interest, a dedicated regional housing dialogue would be a new undertaking.
- Similarly, one of the draft strategies in Human Services' Homeless Action Plan is to "strengthen regional partnerships to address homeless housing and service issues."
- At this writing (2014), Human Services is engaged in regional conversations with the Metro Denver Homeless Initiative (MDHI) to identify additional funding for Boulder County and determine how MDHI can support homeless system improvements in Boulder. Human Services was recently engaged in the 25 Cities Initiative, led by MDHI and Denver's Road Home, a pilot-coordinated assessment and placement system to effectively use housing resources.

Implementation Options:

1. Collaboratively organize a Housing Forum with Boulder County governments, agencies, nonprofits, and others interested in exploring regional housing solutions.
2. Explore creating a process for establishing a city legislative agenda to promote greater housing choice and affordability.
3. Study and consider improvements in transportation options.
4. Consider funding affordable housing in other communities.

Goals Addressed Through this Tool:

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Maintain the Middle

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Northwest Corridor. *Source: www.rtd-fastracks.com*

F4. Rent Control

A rent control system would regulate the levels of rent, or rent increases, permitted within the city. Rent control is currently illegal in Colorado.

Key Issues:

- In response to a 1980 citizen initiative in the City of Boulder which imposed rent control on existing buildings, the 1980 Colorado statute banned rent control (CRS 38-12-301). This statewide rent control ban ensured that, notwithstanding home rule authority, no city or county in Colorado would be able to institute a rent control measure.
- The city's Inclusionary Housing (IH) Program applies to rental projects, but due to current statute, as of August 2014, no IH affordable rental units have been provided on-site.
- Rent control is limited to rental housing stock.
- Enabling rent control would require a legislative change at the state level.

Background:

State statute, **HB10-1017**, enacted in 2010, serves to:

- Clarify that the rent control statute applies only to private residential property or private residential housing units.
- Clarify that nothing in the statute prohibits or restricts the right of a property owner and a public entity from voluntarily entering into an agreement that controls rent on a private residential housing unit or places a restriction on the deed to the property.
- Rent control through police power and regulation, such as inclusionary zoning, is prohibited.
- Rent control through a contract in return for some type of consideration is allowed.
- The other exemption from rent control by municipalities and counties is through a housing authority or a "similar agency" (affordable housing non-profits).

Implementation Options:

1. Consider initiating a community discussion regarding rent control.
2. Explore expanding use of the voluntary agreement.

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

Source: www.inkcinct.com.au, "Still in control", November 9, 2007. Illustration: Ditchy

CHANGES TO TOOLKIT DRAFT SINCE MAY 2014

In May 2014, an initial list of potential tools was included in project memos to City Council and the Planning Board. Since then, staff has further developed the toolkit with the following changes to the original list:

Added:

- **Preservation of Rental Affordability**—non-deed-restricted affordable units identified as vulnerable to market forces.

Dropped:

- **12. Increase Enforcement of Existing Regulations**—being addressed through other efforts
- **14. Continue Purchase Program for Existing Housing Units**—this is already happening
- **38. Improve Existing Student-Oriented Housing**—being addressed through other efforts

Combined:

- **6. Advocate for Housing Choice and Affordability** and **25. Participate in Regional Solutions** were combined and is now called "Regional Solutions and State-Level Advocacy"
- **13. Reevaluate Shared Equity Loan Program** was combined with **10. Expand Down Payment Assistance Program and Reinstate Gap Financing** and is now called "Homebuyer Assistance Programs"
- **21. Establish More Mixed Use in Commercial and Industrial Zones in Targeted Areas** and **29. Increase Residential Density** were incorporated into **32. Consider Land Use Designation and Zoning Changes** and is now called "Land Use Designation Changes"
- **27. Remove Barriers for Certain Housing Types** was incorporated into **4. Modify the Building Code, Land Use Regulations and the Planning Review Process** and is now called "Fee Reductions, Expedited Review Process and/or Modification of Standards"

Re-named:

- **36. Restrict Unit Size** is now called "Small Homes"
- **37. Support Special Population Housing** is now called "Housing the Homeless"