



GOAL: Maintain the Middle

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

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

EXAMPLES OF POTENTIAL OBJECTIVES

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

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

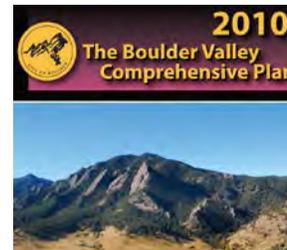
KEY CONSIDERATIONS

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

BOULDER VALLEY COMPREHENSIVE PLAN POLICIES RELATED TO MAINTAIN THE MIDDLE

Neighborhoods Policy 2.10 Preservation and Support for Residential

Neighborhoods: The city will work with neighborhoods to protect and enhance neighborhood character and livability and preserve the relative affordability of existing housing stock. The city will seek appropriate building scale and compatible character in new development or redevelopment, appropriately sized and sensitively designed streets, and desired public facilities and mixed commercial uses. The city will also encourage neighborhood schools and safe routes to school.



Mixed-use and Higher-density Development Policy 2.16:

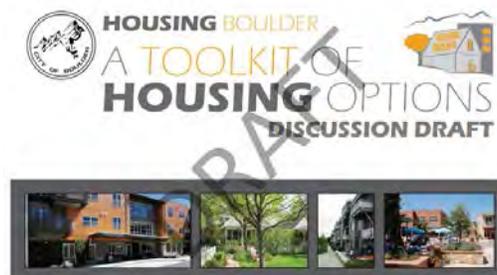
The city will encourage well-designed, mixed-use, and higher-density development that incorporates a substantial amount of affordable housing in appropriate locations, including in some commercial centers and industrial areas and in proximity to multimodal corridors and transit centers. The city will provide incentives and remove regulatory barriers to encourage mixed-use development where and when appropriate. This could include public-private partnerships for planning, design or development; new zoning districts; and the review and revision of the floor area ratio, open space and parking requirements.

Housing for a Full Range of Households 7.09: The city and county will encourage preservation and development of housing attractive to current and future households, persons at all stages of life, and to a variety of household configurations. This includes singles, couples, families with children and other dependents, extended families, non-traditional households and seniors.

POTENTIAL TOOLS/POLICIES TO ADDRESS GOAL (STARTING POINT FOR DISCUSSION)

The Housing Boulder [Toolkit of Housing Options](#) has a number of tools that could address this goal, including, but not limited to:

- A2. Accessory Dwelling Unit/Owner's Accessory Unit Requirements
- B2. Homebuyer Assistance Programs
- B3. Inclusionary Housing (IH) Program
- B4. Revenue Sources for Affordable Housing
- B5. Annexation
- C2. Land Banking
- C3. Preservation of Rental Affordability
- C4. Historic Preservation of Smaller Houses and Accessory Buildings
- D1. Employer-Assisted Housing
- D2. Green and Location-Efficient Mortgages
- E1. Bonuses for Permanently Affordable Housing and Certain Housing Types
- E3. Height Limit
- E4. Land Use Designation and Zoning Changes
- F1. Homeowners' Association (HOA) Fee Affordability
- F4. Rent Control



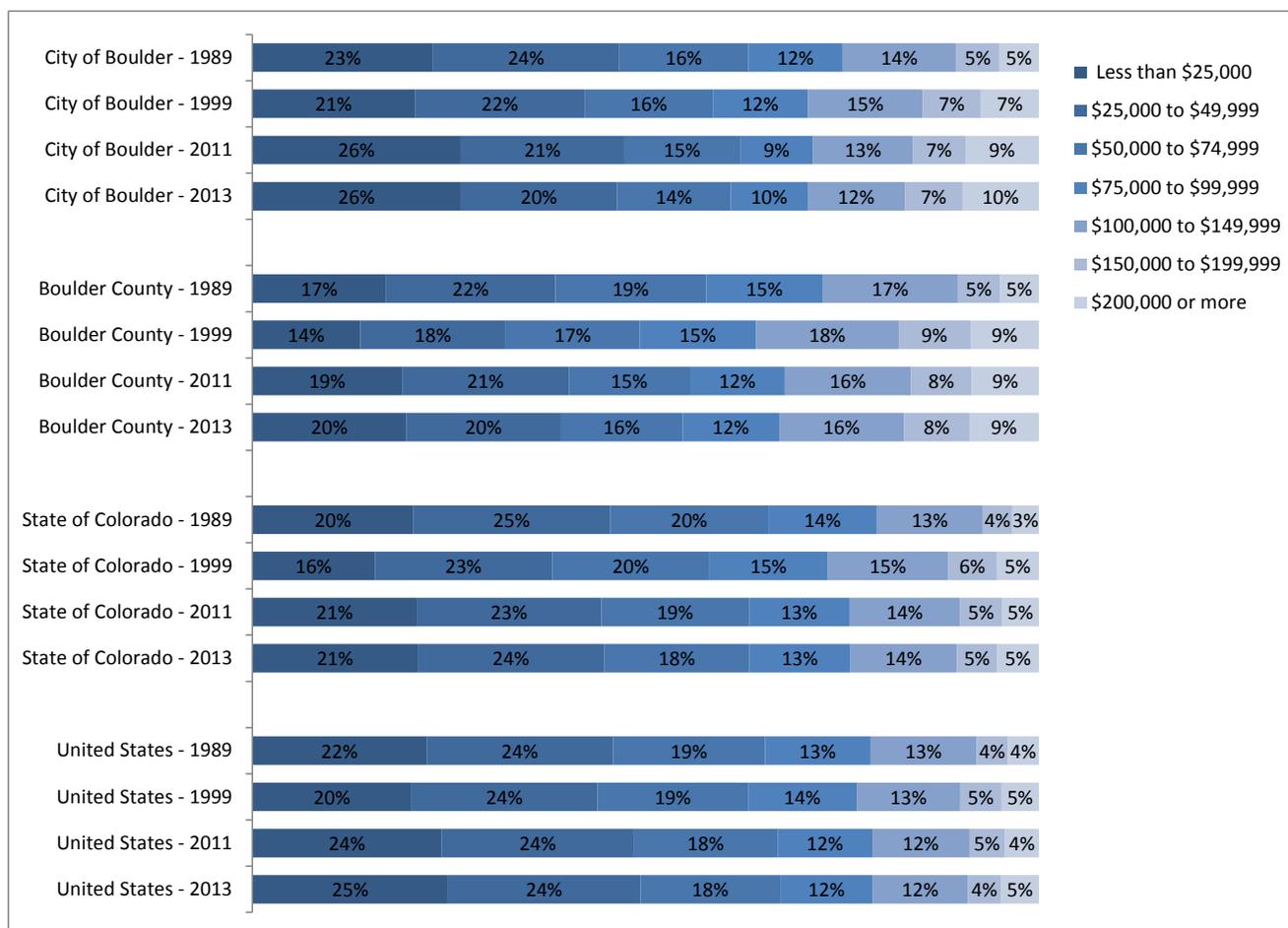
KEY DATA

Middle Income

In the [2013 Housing Market Analysis](#) and the [2014 Housing Choice Survey](#), both prepared by BBC Research and Consulting, middle-income was defined as an annual household income between \$65,000 and \$150,000¹. Using the standard methodology for setting prices for the city’s permanently affordable homeownership program, a home priced at \$222,000 is affordable to households earning \$65,000 annually and a home priced at \$548,000 is affordable to households earning \$150,000 annually, both well below the median sales price (\$631,250) of detached housing in Boulder in 2013.

The two tables below are updated to show 1989 and 2013 3-year ACS data. Both 1989 and 2013 data were inflation adjusted to 2011 dollars for consistency, which is shown in 2011 dollars.

UPDATED Household Income Distribution, Boulder, Boulder County and Colorado, 1989, 1999, 2011 and 2013



¹ The City of Boulder has a permanently affordable middle-income housing program. For this program, middle income is defined differently, as approximately 80 to 120 percent of the area median income (AMI) or, for example, a four-person household with an annual income up to \$109,110 (2014). This program was established as part of the City of Boulder’s goal of 450 permanently affordable middle-income housing units. This goal was adopted in 2008 as a separate goal in addition to the “10 Percent Goal.” So far, the city has deed-restricted 110 units as permanently affordable. Currently, annexation is the city’s only path to create permanently affordable middle-income housing.

UPDATED Income Category as Share of City Population

	Low- to Moderate-Income	Middle-Income	High-Income
1989	47%	43%	11%
1999	42%	43%	15%
2009-2011	47%	37%	16%
2011-2013	46%	37%	17%
Trend		Down	Up

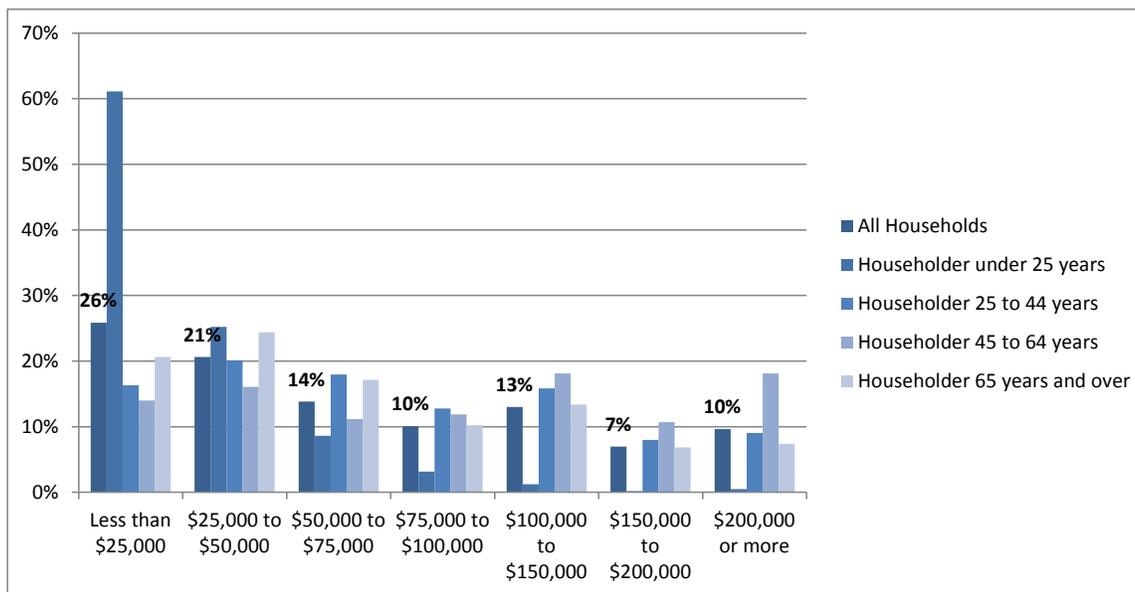
Sources: 1994 Economics Research Associates Boulder Economic Base Study, 2000 Census, 2011 3-year ACS, 2013 3-year ACS and BBC Research & Consulting.

Working Group Question: Is there data by attached versus detached housing? In 2014, the median sales price for attached housing was \$285,000 (747 sales) and the median for detached housing was \$685,000 (724 sales). Source: Boulder Area Realtor Association (BARA) IRES (Information Real Estate Services) data.

Working Group Question: Could we get data that breaks out the middle income group by low versus high ends of the group? In the table above, “Middle Income” combines the three census reporting categories between \$50K and \$150K shown in the table below. For example, in 1999 16% (\$50K to \$75K) +12% (\$75K to \$100K) + 15% (\$100K to \$150K) = the 43% shown in the table above. For consistency with the table above, 2013 data was inflation adjusted to 2011 dollars which is shown in 2011 dollars.

Working Group Questions: Can we get demographic data by age?
Data on income by age is provided in the table below.

NEW FIGURE Household Income by Age of Householder, City of Boulder, 2013



Source: 2013 5-year ACS and BBC Research & Consulting.

Working Group Question: What percentage of households earning more than \$200,000 have multiple earners? Has this statistic changed over time?

Percentage of households earning more than \$200,000 per year that have multiple earners:

2000 – 80%

2009 – 85%

2012 – 84%

Sources: IPUMS 2000 Census, 2009 3-year ACS and 2012 3-year ACS and BBC Research & Consulting.

Working Group Question: Is the number of high income households increasing? Or are middle-income households simply getting wealthier? And are they displacing middle-income households based on available housing?

Yes, the number of high-income households is increasing. We cannot tell from the data the share of middle-income households that are becoming wealthier relative to those that are being displaced; however anecdotally, middle income homebuyers now struggle to compete with wealthier homebuyers to purchase in Boulder.

For-Sale Market by Price and Type, City of Boulder and Surrounding Communities, 2012

All Listed/Sold Units, 2012	Boulder		Lafayette		Longmont		Louisville		Balance of County	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total	2,150	41%	466	9%	1,547	30%	308	6%	335	14%
Less than \$200,000	299	29%	83	8%	544	53%	20	2%	60	8%
\$200,000 to \$300,000	274	25%	143	13%	484	43%	61	5%	64	14%
\$300,000 to \$400,000	327	34%	77	8%	261	27%	92	10%	60	21%
\$400,000 to \$500,000	325	48%	72	11%	98	14%	66	10%	49	18%
\$500,000 to \$750,000	463	60%	69	9%	92	12%	55	7%	52	12%
\$750,000 to \$1 million	214	74%	14	5%	27	9%	10	3%	16	8%
\$1 million or more	248	74%	8	2%	41	12%	4	1%	34	10%

Detached Units Listed/Sold, 2012	Boulder		Lafayette		Longmont		Louisville		Balance of County	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total	1,295	37%	353	10%	1,297	37%	259	7%	312	9%
Less than \$200,000	10	2%	29	6%	382	81%	1	0%	44	10%
\$200,000 to \$300,000	26	4%	86	13%	404	59%	44	6%	60	19%
\$300,000 to \$400,000	170	22%	75	10%	255	33%	84	11%	57	25%
\$400,000 to \$500,000	264	43%	72	12%	97	16%	61	10%	49	20%
\$500,000 to \$750,000	404	57%	69	10%	92	13%	55	8%	52	13%
\$750,000 to \$1 million	205	73%	14	5%	27	10%	10	4%	16	9%
\$1 million or more	216	72%	8	3%	40	13%	4	1%	34	11%

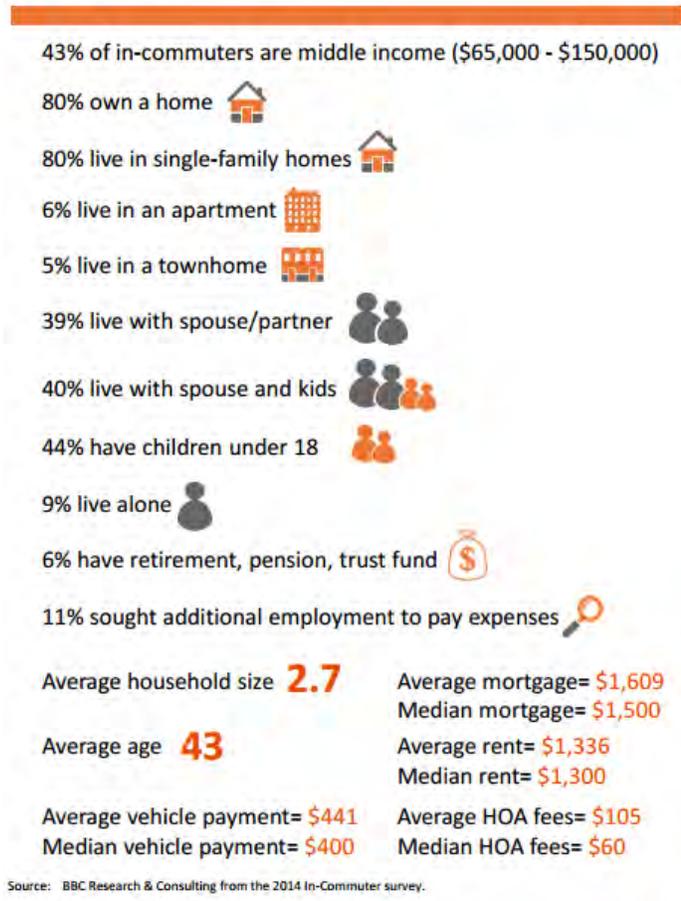
Attached Units Listed/Sold, 2012	Boulder		Lafayette		Longmont		Louisville		Balance of County	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total	855	66%	113	9%	250	19%	49	4%	23	2%
Less than \$200,000	289	54%	54	10%	162	30%	19	4%	16	3%
\$200,000 to \$300,000	248	61%	57	14%	80	20%	17	4%	4	1%
\$300,000 to \$400,000	157	89%	2	1%	6	3%	8	5%	3	2%
\$400,000 to \$500,000	61	91%	0	0%	1	1%	5	7%	0	0%
\$500,000 to \$750,000	59	100%	0	0%	-	0%	0	0%	0	0%
\$750,000 to \$1 million	9	100%	0	0%	-	0%	0	0%	0	0%
\$1 million or more	32	97%	0	0%	1	3%	0	0%	0	0%

Source: BBC Research & Consulting and 2012 MLS.

The next 10 to 20 years may show Boulder changing more than it did during the past decade if demand for living in the city continues, employment expands and opportunities to increase housing stock are limited. Future workforce may be more likely to commute in from areas on the outskirts of or outside of Boulder County, given the limited growth within many parts of the county. Surrounding communities, including Longmont, Westminster, Arvada and even Denver offer much more affordability.

- Housing Market Analysis, BBC Research and Consulting, p. 2

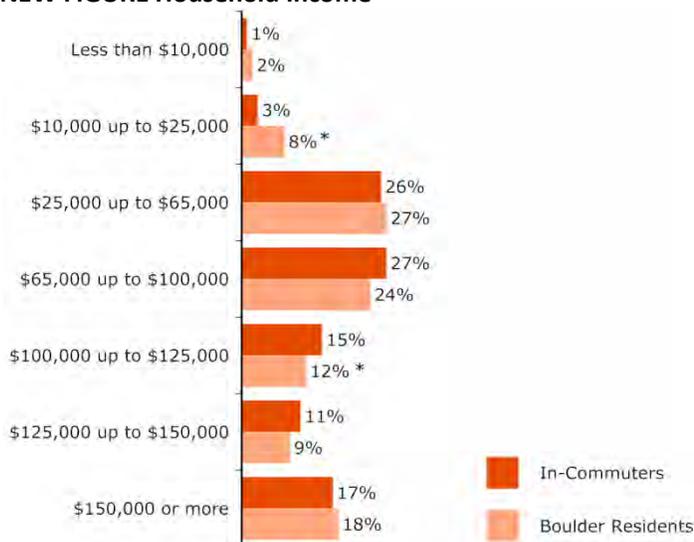
Profile of Middle Income In-Commuters



Working Group Question: The “other 57%” of population not reported in survey: where do their income levels fall?

This detail is provided in the table below.

NEW FIGURE Household Income



Note: * statistically significant difference at the 95 percent confidence level. n=1,131 in-commuters and n=1,344 Boulder residents.

Source: BBC Research & Consulting from the 2014 In-Commuter and Boulder Resident surveys

Figure I-30.
Attracting Middle Income In-Commuters to Boulder

Out of every 10,000 in-commuters,
4,300 are middle income (43%)

↓
54%, or 2,322

middle income in-commuters would consider
moving to Boulder in the future

To live in Boulder I would.....

1,950 Live in an older home (84%)

1,742 Live in a small, single-family detached (75%)

1,138 Live in a townhome (49%)

"New multi-unit housing in Boulder needs to be kid-friendly, not just dog-friendly."

813 Live in a duplex/triplex/fourplex (35%)

581 Live on a busy street (25%)

581 Live in a condo (25%)

"Shared garden space/shared yard a must if condo/townhome..."

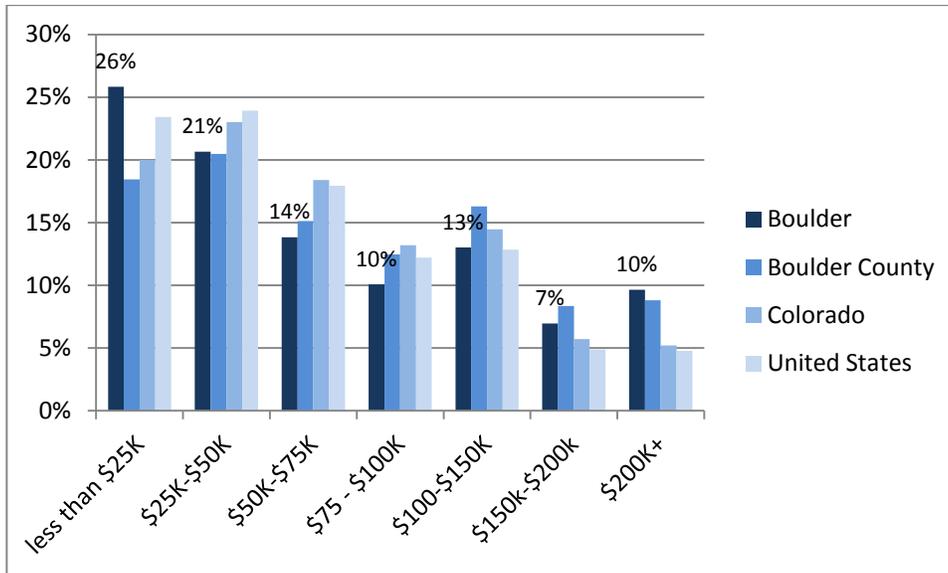
"As long as the housing provided my own small courtyard—not a deck/balcony—but an actual outdoor fenced-in space, it would work."

Source: BBC Research & Consulting from the 2014 In-Commuter survey.

Comparative Household Income Data: To explore the loss of middle-income households in Boulder, city staff compared the distribution of households by income category in Boulder to those of Boulder County, Colorado and the United States, then looked at the change in household income distribution between the 2000 census and the 2013 American Community Survey (ACS) five-year estimate in these same geographic areas. There is some variation between the BBC Research and Consulting data from 2011 on page 3 and these data from the 2013 American Community Survey.

Comparison of Household Income Distribution: The chart below shows the distribution of household incomes in Boulder, Boulder County, Colorado and the United States.

Distribution of Household Income, Boulder, Boulder County, Colorado and the United States, 2008 - 2012



Source: 2013 ACS 5-year estimates

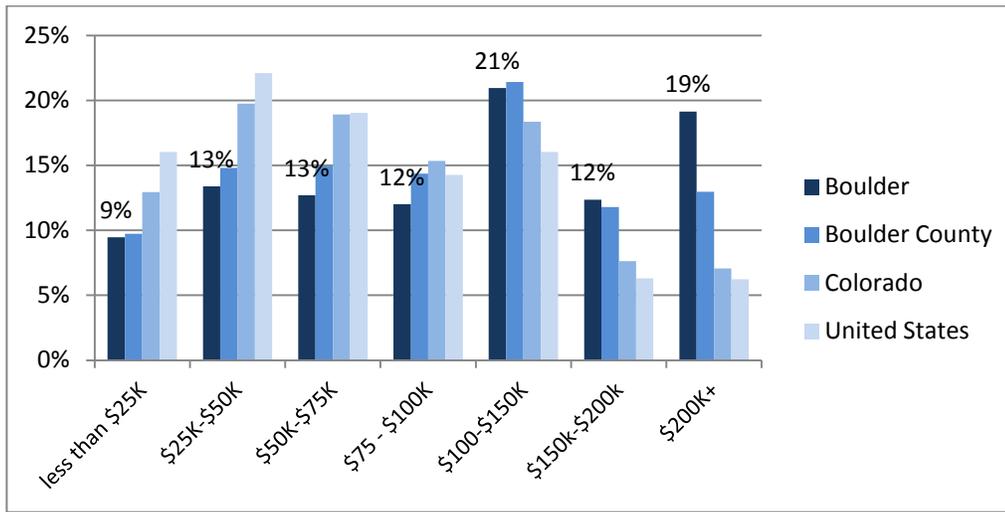
Note: Household Income data reported are for the prior year.

Observations:

- **Low- to moderate-income:** Among the four geographies, Boulder has the largest share of households with annual incomes below \$25,000 and the lowest share of households earning between \$50,000 and \$75,000.
- For the two “middle-income” categories, Boulder has the smallest share (\$75,000 to \$100,000) and the same share as the United States (\$100,000 to \$150,000), but a smaller share than Boulder County and Colorado.
- **Upper income:** Boulder has the greatest share of households earning \$200,000 or more.

Comparison of Family Household Income Distribution: Because Boulder is a university town with a large share of nonfamily households accounted for by students, city staff looked at these same data for family households only.

Distribution of Family Household Income, Boulder, Boulder County, Colorado and the United States, 2008 - 2012



Source: 2013 ACS 5-year estimates

Note: Household Income data reported are for the prior year.

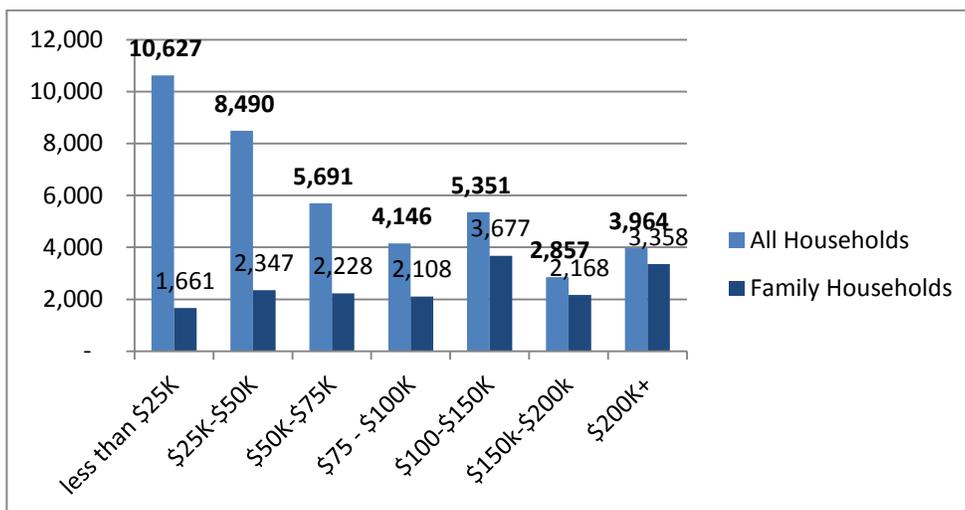
Note: The census bureau defines a **family** as consisting of two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit.

Observations:

When looking at family households, among the four geographic areas, Boulder has the smallest share in each income category from \$0 to \$100,000, the second highest share of households earning between \$100,000 and \$150,000, and the largest share of family households earning above \$150,000.

This table responds to working group request for the count (number) households in Boulder.

NEW FIGURE Distribution of Household Income, Boulder, 2008-2012

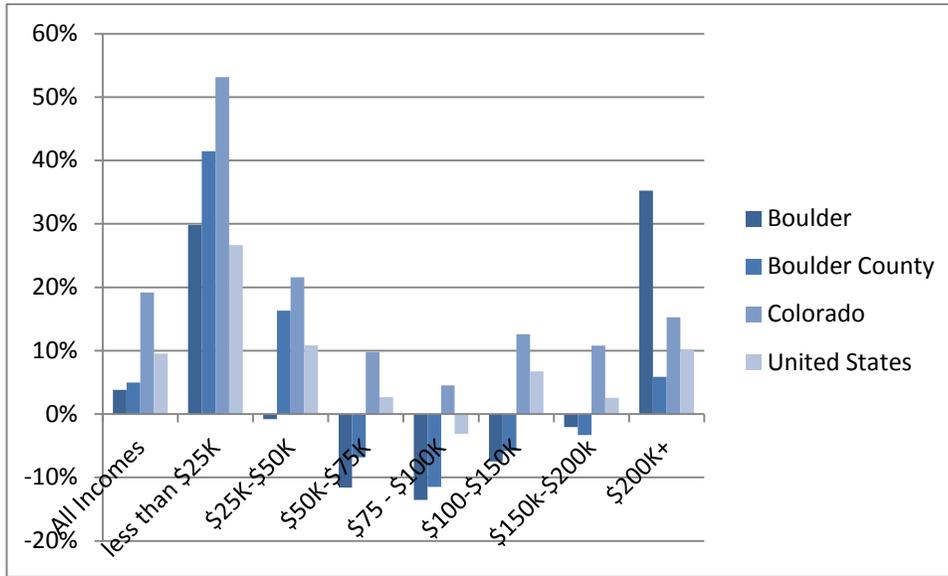


Source: 2013 ACS 5-year estimates

Note: Household income reported is for the previous full calendar year.

Change in Household Income Distribution: Though broader factors such as inflation, changes in the makeup of the economy (e.g., jobs), and changing demographics (larger Millennial [born approximately 1980 to 1995] and Boomer [born 1946 to 1964] and smaller Generation X [generation between Millennials and Boomers]) contribute to changing household income distribution at all geographic levels; how changes in Boulder *compare* to changes in these other geographic areas provides clues as to whether changes in the income and wealth in Boulder result from economic and policy factors unique to Boulder.

NEW INFLATION ADJUSTED FIGURE Percent Change in Households by Income Category, Boulder, Boulder County, Colorado and the United States, 1999 - 2012



Source: 2000 Census and 2013 ACS five-year estimates

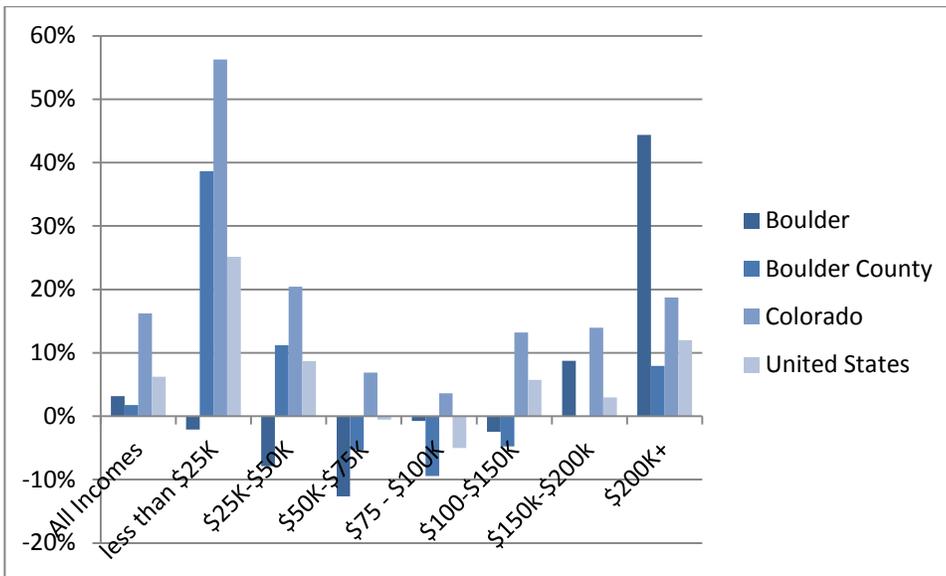
Note: Household Income data reported are for the prior year.

Observations:

- **Growth:** All geographic areas (Boulder, Boulder County, Colorado and the U.S.) grew between 1999 and 2012, though Boulder grew the least (see “All Incomes”).
- **Low to moderate-income:** Boulder was the only community that lost households with incomes between \$25,000 and \$50,000 between 2000 and 2013.
- **Greatest loss of middle income:** Across all “middle income” categories (\$50,000 to \$75,000, \$75,000 to \$100,000, and \$100,000 to \$150,000) Boulder lost a larger share of middle income households than the other geographic areas.
- **Upper-income households:** Boulder gained a much larger share of households with incomes above \$200,000 than all other geographic areas.

To moderate for the impact of the university population, city staff also looked at changes in *family* households by income.

NEW INFLATION ADJUSTED FIGURE Percent Change in Family Households by Income Category, Boulder, Boulder County, Colorado and the United States, 1999 - 2012



Source: 2000 Census and 2013 ACS 5-year estimates

Note: The census bureau defines a **family** as consisting of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing in the same housing unit.

Note: Household Income data reported are for the prior year.

Observations:

- **Larger losses of families earning below \$100,000.** When the family household income chart (above) is compared to the previous one (households in general), the loss of households earning between \$0 and \$100,000 in Boulder is more dramatic.
- **Losing the upper end of middle income too:** Boulder, similar to Boulder County, lost household earning between \$100,000 and \$150,000 while the State of Colorado and the United States gained these households.
- **Large gains of high income households:** Boulder gained a much larger share of family households earning above \$200,000 than all other geographic areas compared.

DEFINITIONS

Accessory Dwelling Units/Owner Accessory Units (ADUs/OAUs): Several common terms for ADUs and OAUs include “mother-in-law apartment,” “granny flat,” and “garage apartment”. Per the Boulder Revised Code (BRC) 1981, an accessory dwelling unit is a “separate and complete single housekeeping unit within a detached dwelling unit”. ADUs are allowed in Boulder by permit. Either the ADU/OAU or detached dwelling unit must be owner-occupied. ADUs differ from Owner Accessory Units (OAUs) in that an ADU is located within an owner's primary dwelling unit, whereas an OAU may be located either within or separate from the owner's primary dwelling unit.

Annexation: The process by which a city adds land to its jurisdiction.

Area Median Income (AMI) is the midpoint of household incomes for federal government-defined areas adjusted for family size; half of household incomes are higher and half are lower than the AMI. Annually, the U.S. Department of Housing and Urban Development (HUD) publishes the AMI for the Boulder, Colorado, MSA (Metropolitan Statistical Area, Boulder County). AMI is used to determine if a household's gross income qualifies for affordable housing and assistance.

Family: The U.S. Census Bureau defines a family as two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing in the same housing unit.

Homeowners' Association (HOA): 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.

Homeownership Programs: The City of Boulder Division of Housing's Homeownership Programs help qualified homebuyers purchase affordable homes in the city. Programs include Homeworks (permanently affordable new development and resale homes available to households with low- to middle-incomes), House to Homeownership (H2O) Loans (a deferred loan program, NOT resale restricted), and the Solution Grant (one-time grants to assist low-/moderate-income households with down payment and closing costs on permanently affordable homes; grants remain invested in the homes).

Household: The U.S. Census Bureau defines a household as all the people who occupy a housing unit as their usual place of residence.

Inclusionary Housing (IH): Adopted in 2000 to help the city's housing market to produce housing that is permanently affordable to low- to moderate-income households, Boulder's Inclusionary Housing (IH) Ordinance (formerly “Inclusionary Zoning”) requires that new residential development contribute at least 20 percent of the total units as permanently affordable housing. Inclusionary Housing options for meeting this requirement include constructing on-site permanently affordable units, dedicating off-site existing or newly built units as permanently affordable, dedicating vacant land for affordable unit development or paying cash in lieu (Also, see “Cash-in-Lieu Contribution, CIL”). Affordable units produced through IH are priced to be affordable to low- and moderate-income households and have deed restrictions which limit appreciation and require they be sold or rented to income-qualified households in perpetuity.

Land banking: Land banking can be pursued to achieve a broad array of community goals. In the housing context, 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.

Middle Income: In the [2013 Housing Market Analysis](#) and the [2014 Housing Choice Survey](#), both prepared by BBC Research and Consulting, middle-income was defined as an annual household income between \$65,000 and \$150,000².

Rent Control: Laws or ordinances that set price controls on residential rental housing. In Colorado, rent control is prohibited by state statute (CRS 38-12-301). An exception is included for housing authorities or similar agencies. To meet the statute requirements, rent-controlled units provided through the Inclusionary Housing (IH) Program must be owned in whole or in part by a housing authority or similar agency.

CHANGES TO THE MAINTAIN THE MIDDLE FACT SHEET

Edits Made Prior to Working Group Meeting #3:

- Answers to the questions asked at Meeting #2 are interspersed through the revised document. Look for the paragraph heading, **“Working Group Question”**.
- Additionally, we answer the following questions and data requests here:
 - *Working Group Question: Are the numbers adjusted for inflation? Yes.*
 - *Working Group Question: Can we get numbers instead of percentage shares? Tables were added. Percentage shares had been used in order to compare geographies (City of Boulder vs. Boulder County, etc.) and to understand the relative representation of the middle class in Boulder over time.*
 - *Working Group Question: Clarify the difference between the descriptions of “loss of the middle” between pages 1, 3, and 10 (of the February 4th version of the fact sheet). Page 1 of the February 4 version of the Maintain the Middle Fact Sheet states that the share of Middle-Income households in Boulder shrunk by six percent. This refers to the table on page 3, which comes from the 2013 market study, which used 2000 Census and 2011 American Community Survey. The data on page 10 were based on 2013 American Community Survey.*
 - *Working Group Question: How many households are in Boulder, versus how many units are in Boulder? In 2013, it is estimated there were 42,307 households (American Community Survey) and 43,620 housing units (BBC Market Analysis)*
 - *Working Group Question: Does the student population include the on-campus population? From page 2 of BBC Market Analysis:
Recent data estimate that 21,000 CU students live in Boulder during the academic year. Data from the university’s housing department suggest that 6,000 may live in university-provided housing. This leaves approximately 15,000 students living in private housing; at an average household size of 2.0, as many as 7,500 units could be occupied by current students. These students affect the rental market in a number of ways but their true economic need for affordable units is unknown.*

² The City of Boulder has a permanently affordable middle-income housing program. For this program, middle income is defined differently, as approximately 80 to 120 percent of the area median income (AMI) or, for example, a four-person household with an annual income up to \$109,110 (2014). This program was established as part of the City of Boulder’s goal of 450 permanently affordable middle-income housing units. This goal was adopted in 2008 as a separate goal in addition to the “10 Percent Goal.” So far, the city has deed-restricted 110 units as permanently affordable. Currently, annexation is the city’s only path to create permanently affordable middle-income housing.

- *Working Group Question: Does a price test exist? i.e. "I'd pay \$xx.00 more to live in Boulder"* No, a price test was not part of the Housing Choice Survey.
 - *Working Group Question: Does the document (fact sheet) identify household or individual income?* All income data is household income data.
 - *Working Group Question: Do we know where "lost" populations are going? Are they leaving because of income and housing cost?* The 2014 Housing Choice Survey tells a portion of this story. Among in-commuters surveyed, 69% stated they wanted to live in Boulder, but chose not to, primarily due to (a) affordability and (b) the poor quality of housing available for rent or purchase. Slightly more than half of in-commuters used to live in Boulder. Among those former Boulder residents, one in three moved away from Boulder in the past five years—even though they would have preferred to stay in Boulder. Additionally, 69 percent of in-commuters considered purchasing a home in Boulder; however, 72 percent of those who did not cited affordability as the reason for not considering Boulder.
- Data request not yet answered:
 - Can we get employment data? Particularly sector data, and pay data.

A good source of employment data is the Economic Indicators for December 2014 – [Economic Indicators Report](#) (2 pages)

A more detail report documents recent data on the city of Boulder's economy including population and demographic characteristics, employment and job growth, top industries and employers, retail sales, commercial and residential real estate trends, venture capital investment, and tourism – [Boulder Market Profile](#) (32 pages)
 - A "Definitions" section was added, which includes the U.S. Census Bureau definition of *household*, requested by a working group member.