

STRENGTHEN OUR CURRENT COMMITMENTS: **FACT SHEET** *March 4, 2015*



GOAL: 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.

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

EXAMPLES OF POTENTIAL OBJECTIVES

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

- *Delivery Timeline* – Establish a target date to achieve the current 10 percent goal of permanently affordable units.
- *Funding Priorities* – Establish clear funding priorities to accomplish the goal.
- *Identify New Resources* – Identify or create new policies or funding resources to accelerate progress.

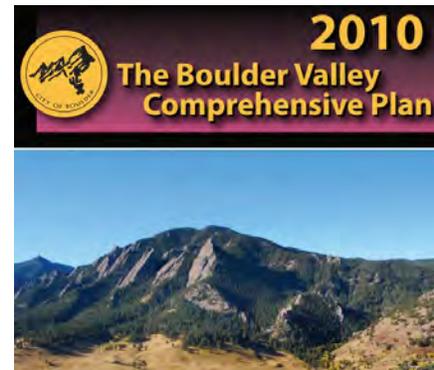
KEY CONSIDERATIONS

- *10 Percent Goal Progress* – To date, work toward the 10 percent goal has produced 7.2 percent permanently affordable housing units in Boulder.
- *Funding Sources* – Federal funding sources for affordable housing and community development have diminished and cash in lieu payments into the city's Affordable Housing Fund have increased in recent years. However, as land opportunities decrease, cash in lieu payments will decrease, so new funding sources are essential to maintain and/or accelerate progress.
- *Diversity of Needs* – Affordable housing in Boulder provides a broad array of services, including: stabilizing households, addressing homelessness, promoting community diversity, housing the workforce, and more.
- *New Construction and Rehabilitation* – In the future, there will be fewer opportunities for new-built affordable housing. As land values rise, there is increasing pressure to rehabilitate and raise rents on existing "market affordable" rental properties.
- *Housing First* – Housing First approaches, including permanent supportive housing, are cost-effective when the cost of homelessness and physical and mental health issues (e.g., emergency room visits, hospitalizations, justice system, etc.) are taken into account.
- *Housing Choice Vouchers* – The U.S. Department of Housing and Urban Development (HUD) sets Fair Market Rent (FMR) in Boulder County lower than what can be commanded by private landlords, and

some voucher recipients have challenging background issues (e.g. poor credit); therefore, it is often difficult to find private landlords willing to accept HCV-holding households.

BOULDER VALLEY COMPREHENSIVE PLAN POLICES RELATED TO STRENGTHEN OUR CURRENT COMMITMENTS

Housing Policy 7.02 Permanently Affordable Housing: The city will increase the proportion of permanently affordable housing units to an overall goal of at least ten percent of the total existing housing stock through regulations, financial subsidies, and other means. City resources will also be directed toward maintaining existing permanently affordable housing units and securing replacements for lost low- and very low-income units.



Housing Policy 7.03 Populations with Special Needs: The city and county will encourage development of housing for populations with special needs including residences for people with disabilities, populations requiring group homes or other specialized facilities, and other vulnerable populations where appropriate. The location of such housing should be in proximity to shopping, medical services, schools, entertainment, and public transportation. Every effort will be made to avoid concentration of these homes in one area.

Housing Policy 7.07 Preserve Existing Housing Stock: The city and county, recognizing the value of their existing housing stock, will encourage its preservation and rehabilitation through its land use policies and regulations. Special efforts will be made to preserve and rehabilitate existing housing serving low- and moderate-income individuals and households.

Social Equity Section Policy 8.04 Addressing Community Deficiencies: The city will identify barriers to provision of important basic human services and work to find solutions to critical social issues such as lack of housing options for very low income and special needs populations, access to and affordability of basic services, and limited availability of affordable retail products.

Housing Policy 7.13 Integration of Permanently Affordable Housing: *Permanently affordable housing, whether publicly, privately or jointly financed will be designed as to be compatible, dispersed, and integrated with housing throughout the community (Request to add this goal made by working group member at February 11, 2015 meeting)*

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:

A1. Accessible Housing



- A2.** Accessory Dwelling Unit/Owner’s Accessory Unit Requirements
- A5.** Mobile Home Parks
- A7.** Small Homes
- A8.** Tiny Homes
- A9.** Housing the Homeless
- B1.** Home Rehabilitation Loan Program
- 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
- D1.** Employer-Assisted Housing
- D3.** Housing Choice (Section 8) Voucher Options
- D5.** University Student, Faculty, and Staff Housing
- E1.** Bonuses for Affordable Housing and Certain Housing Types
- 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
- E7.** Residential Growth Management System
- F1.** Homeowners’ Association (HOA) Fee Affordability
- F2.** Housing Advisory Board
- F3.** Regional Solutions and State-Level Advocacy
- F4.** Rent Control

KEY DATA AND RESOURCES

Figure 1. Rent and Income Limits for Affordable Housing, Boulder, 2014

2014 Maximum Rents						2014 Income Limits				
AMI	0-BR	1-BR	2-BR	3-BR	4-BR	1-person	2-person	3-person	4-person	5-person
80%	\$1,118	\$1,198	\$1,438	\$1,661	\$1,853	\$44,750	\$51,150	\$57,550	\$63,900	\$69,050
60%	\$1,009	\$1,081	\$1,297	\$1,499	\$1,672	\$40,380	\$46,140	\$51,900	\$57,660	\$62,280
50%	\$841	\$901	\$1,081	\$1,249	\$1,393	\$33,650	\$38,450	\$43,250	\$48,050	\$51,900
40%	\$673	\$721	\$865	\$999	\$1,115	\$26,920	\$30,760	\$34,600	\$38,440	\$41,520
30%	\$505	\$541	\$650	\$750	\$837	\$20,200	\$23,100	\$26,000	\$28,850	\$31,200

Source: Colorado Housing and Finance Authority, Income and Rent Table for 30% AMI to 120% AMI for Colorado Counties for 2014

Figure 2. 10% Goal Progress, Low to Moderate-Income Affordable Units, Beds, and Rooms, City of Boulder, January 2015

INCOME CATEGORY	COUNT	TYPE
Below 30% AMI or "Extremely Low Income"		
	160	Shelter Beds
	84	Group Home Capacity
	52	Housing First Units
	26	Family Shelter and Transitional Units
	35	Non-Family Transitional Units
	300	Public Housing
Subtotal:	657	
30% to 60% AMI or "Low Income"		
	1,696	Standard Rental Units
	120	Mobile Home Park Pads
	41	Cooperative Rental Units
Subtotal:	1,857	
60% to 80% AMI or "Low to Moderate Income"		
	525	Condos
	198	Detached, Townhomes, 2 to 4-plex
Subtotal:	723	

Total Affordable Units:	3,237
# to Achieve 10%	4,500
Affordability Achieved:	7.2%

Source: City of Boulder Division of Housing and the Human Services Department, 2015

Figure 3. 10% Goal by Income Category, Boulder, 2015

Income Category	Desired Share by Income Category		Actual Share by Income Category	
	Share	Count	Existing Units	Existing Share
Under 30% AMI "Extremely Low Income"	35%	1,575	657	20%
30% to 60% AMI "Low Income"	40%	1,800	1,857	57%
60% to 80% AMI "Low to Moderate Income"	25%	1,125	723	22%
Total:		4,500	3,237	

Source: City of Boulder Division of Housing

Figure 4. Middle Income Goal Progress, City of Boulder, January 2015

INCOME CATEGORY	COUNT	TYPE
80% to 120% AMI	110	Homeownership
Middle Income Goal:	450	
Units Needed to Achieve:	340	

Source: City of Boulder Division of Housing

Other Sources of Affordable and/or Relatively Affordable Housing:

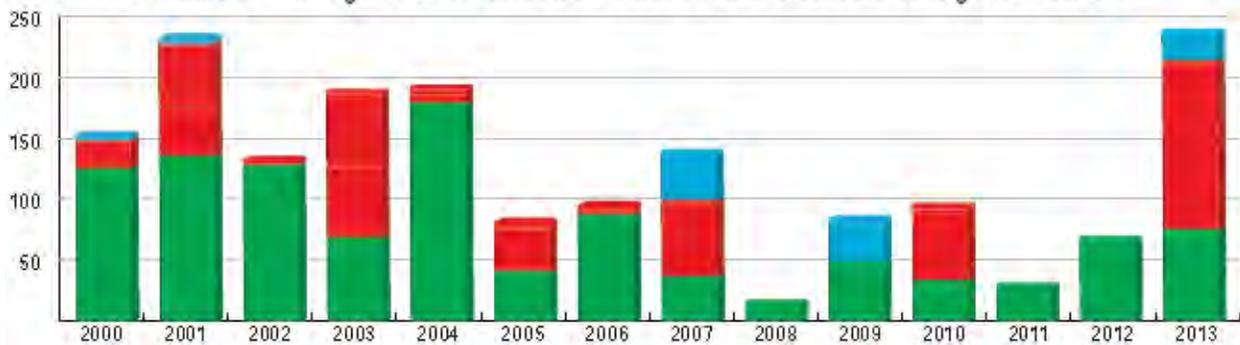
- *Section 8 Vouchers* - Additional housing assistance is provided through more than 900 Section 8 vouchers.
- *Mobile Home Parks* – With the exception of Mapleton Mobile Home Park’s 120 permanently affordable mobile home pads (included in the “Low Income” unit count), the city does not include mobile home parks in the city’s affordable unit count. There are four mobile home parks with capacity for 1,275 mobile homes located in Boulder and five additional mobile home parks with 418 pads located just outside the Boulder city limits, with one in a Boulder County enclave.

Funding Sources:

- *Funding Programs* – There are four main sources of city-administered funds that help to subsidize the acquisition and construction of affordable housing in Boulder.
 - Affordable Housing Fund

- Community Housing Assistance Program (CHAP)
- HOME Partnership Fund
- Community Development Block Grant (CDBG) Program
- *Revenue Sources for Affordable Housing Funding* – Revenue for these funds comes from a combination of city property taxes, a city housing excise tax, city Inclusionary Housing cash in lieu payments, the downtown linkage fee, city sales tax, and state and federal funds (2013).
- *Past Efforts to Establish New Taxes* – There have been efforts in the past to raise a variety of new taxes to support affordable housing; Boulder voters rejected all of these ballot proposals.

Permanently Affordable Units Produced by Source¹



Descriptions of Funding

Inclusionary Housing (IH)

Inclusionary Housing (IH) 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 providing affordable units (cash in lieu goes into the IH + Funding category).

Funding + IH

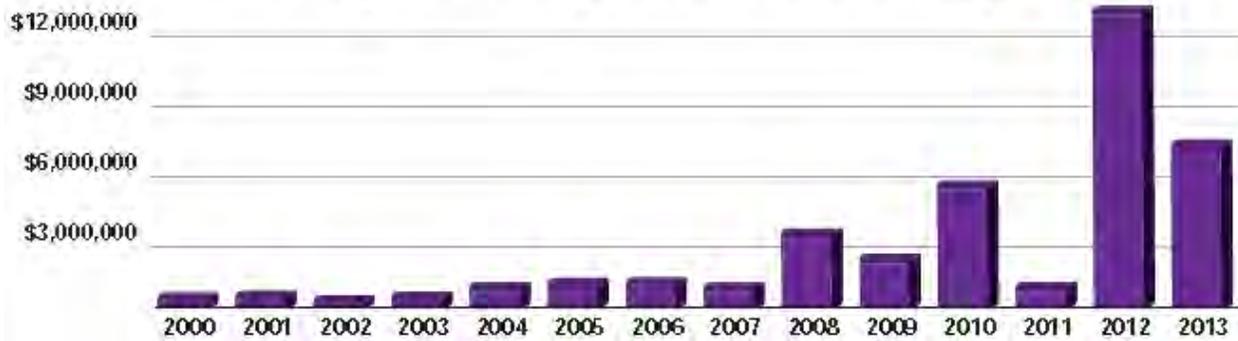
The Division of Housing administers the city's affordable housing funds. Affordable housing funds are used to build,

rehabilitate or acquire permanently affordable housing for low and moderate income residents. They are a mix of federal HOME and CDBG funds and local Community Housing Assistance Program (CHAP) and Affordable Housing Funds (AHF). Sources of the local funds include: property and sales tax revenue, Inclusionary Housing cash-in-lieu contributions and the Housing Excise Tax.

Annexation

The city's policy is to require a high level of community benefit from annexations for residential development. Typically half of the units produced must be permanently affordable to low, moderate and middle-income households.

Inclusionary Housing Cash-in-Lieu Payments¹



Example of leverage to build permanently affordable units - \$2.5 million of city money leveraged nearly \$10 million in outside funding.

HighMar Senior Housing - 4990 Moorhead Ave	Amount	Percent
City of Boulder	\$2,587,611	21.2%
Housing Tax Credits	\$4,588,278	37.5%
Tax Exempt Private Activity Bond	\$3,935,000	32.2%
State of Colorado	\$590,000	4.8%
Deferred fees and other sources	\$519,048	4.2%
Total	\$12,219,937	100.0%

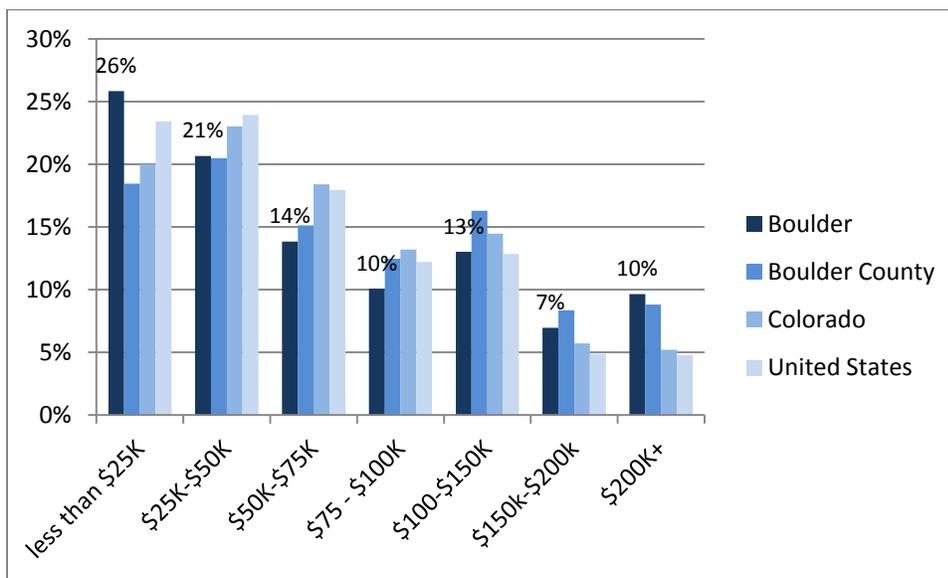


Housing Market Analysis, BBC Research and Consulting, 2014

“In 2006, an estimated 10 percent of private market rental units countywide were affordable to renter households earning less than \$25,000. Just 3 percent of Boulder’s rental units in the current market are affordable to households earning less than 50 percent of the MFI. As ... the vast majority of rental units in the city is priced between approximately \$800 and \$1,200 per month and, as such, is affordable to households earning more than \$40,000 per year.” (p. 26)

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, 2013



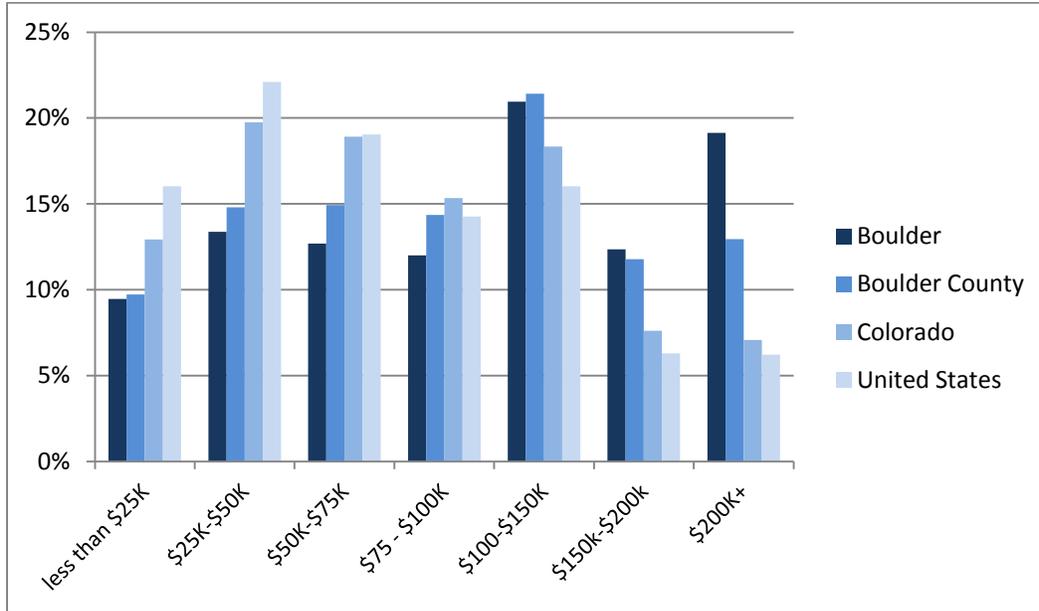
Source: 2013 ACS 5-year estimates

Observations:

- Among the four geographic areas, Boulder has the largest share of households with annual incomes below \$25,000.
- The income range of households that are middle-income in Boulder ranges from \$44,750 (a one-person, 80 percent of area median income household) to \$115,320 (a four person, 120 percent of area median income household). Boulder has the smallest share of households that fall in the two middle-income categories covered by this range (\$50,000 to \$75,000 and \$75,000 to \$100,000).

Because Boulder is a university town with a large share of nonfamily households accounted for by students, we looked at similar data for family households only.

Distribution of Family Household Income, Boulder, Boulder County, Colorado and the United States, 2013



Source: 2013 ACS 5-year estimates

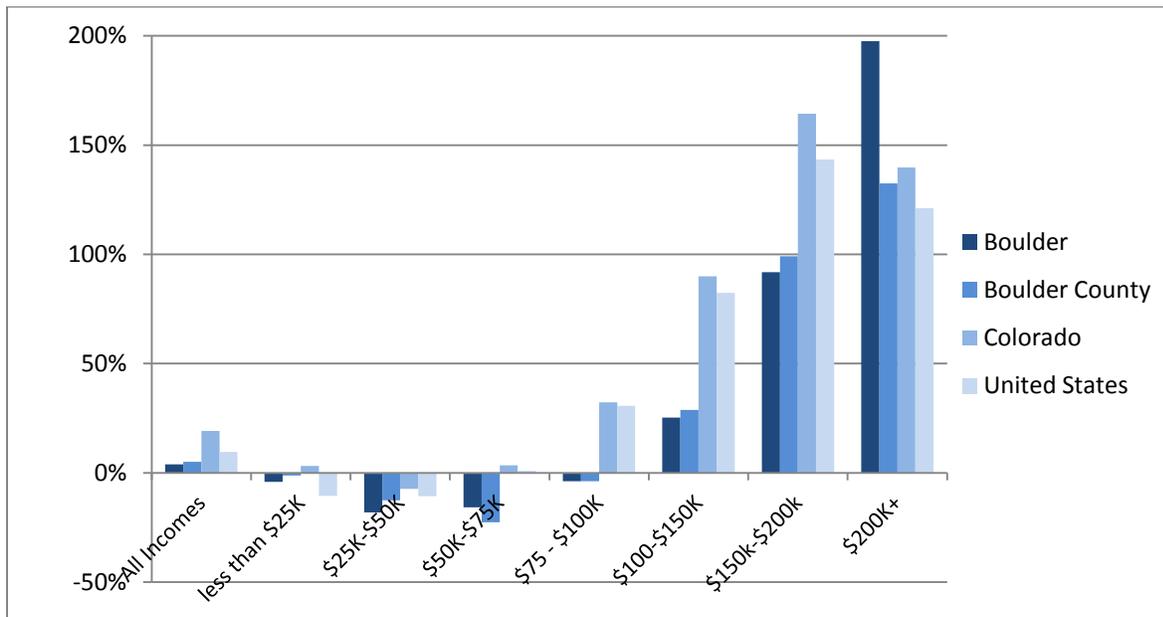
Observations:

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

Change in Household Income Distribution: To get a sense of how changes in the economic makeup of Boulder households compare with other areas, city staff compared changes in income distribution between 2000 and 2013 in Boulder, Boulder County, the State of Colorado and the United States. First, staff looked at households in general (see chart below.)

Though broader factors such as inflation, changes in the makeup of the economy (e.g., jobs), and changing demographics all contribute to changing household income distribution at all geographic levels; how changes in Boulder *compare* to these other geographic areas provides clues as to what degree changes in the income and wealth in Boulder are a result of local or broader policies and other factors.

Percent Change in Households by Income Category, Boulder, Boulder County, Colorado and the United States, 1999 - 2013



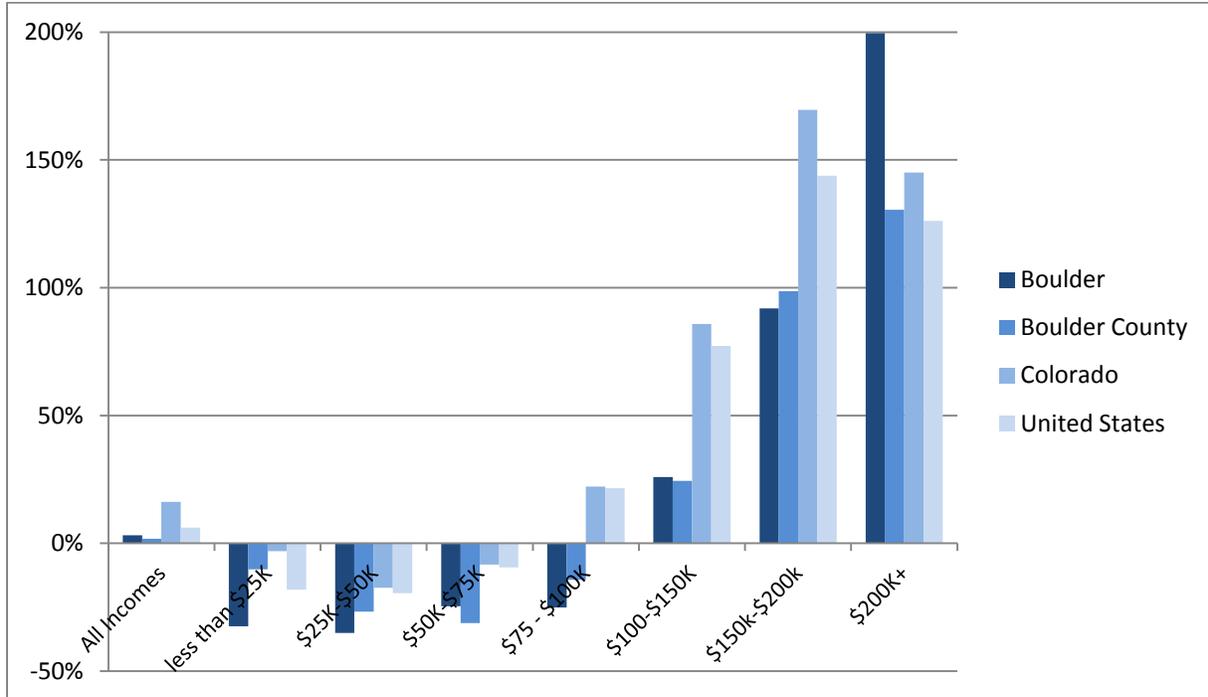
Source: 2000 Census and 2013 ACS 5-year estimates

Observations:

- All geographic areas (Boulder, Boulder County, Colorado and the U.S.) grew between 1999 and 2013, though Boulder grew the least (see “All Incomes”.)
- Though all geographic areas lost households with incomes between \$25,000 and \$50,000, Boulder lost the largest share of these households.
- While Colorado and the United States gained households with incomes between \$50,000 and \$100,000, Boulder and Boulder County lost households in these income categories.
- Boulder gained a much smaller share of households earning between \$100,000 and \$200,000 than did Colorado and the United States.
- Boulder gained a much larger share of households with incomes above \$200,000 than all other geographic areas.

Because Boulder is a university town with a large share of nonfamily households accounted for by the student population, city staff looked at these same data for family households only.

Percent Change in Family Households by Income Category, Boulder, Boulder County, Colorado and the United States, 1999 - 2013



Source: 2000 Census and 2013 ACS 5-year estimates

Observations:

- 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.
- Boulder’s share of family households earning over \$100,000 has increased, but fewer of these earn in that middle-income range (up to \$115,320 for a four-person household). *(A more detailed analysis using Public Use Microdata would be needed to establish more precise figures for gains and losses by AMI and household size.)*

DEFINITIONS

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.

Cash in Lieu (CIL) is a cash contribution that may be used to meet the City of Boulder Inclusionary Housing requirement. A cash payment is made into the Affordable Housing Fund instead of providing an affordable unit.

Emergency Shelter: Any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of homeless persons. The length of stay can range from one night to as long as three months.

Fair Market Rent (FMR): Estimated annually by HUD, Fair Market Rent (FMR) includes the cost of rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and Internet service. FMRs are primarily used to: determine payment standard amounts for the Housing Choice Voucher Program, determine initial renewal rents for expiring project-based Section 8 contracts, determine initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy Program (Mod Rehab), and serve as a rent ceiling in the HOME rental assistance program. To assure a sufficient supply of rental housing for program participants, FMRs must be set high enough to permit a selection of units and neighborhoods but also low enough to serve as many low-income families as possible.

Homeless shelters are temporary residences for homeless persons and households. They typically provide shelter to a variety of people, though families and youth are often served in separate facilities. Homeless shelters typically require that clients leave during the day, and clients are often subject to curfews and house rules. Shelters often provide services including soup kitchens, job training, and drug rehabilitation.

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).

HUD Income Categories: In Boulder, "low income" is between 50 and approximately 70 percent AMI, as set by the HUD. "Very low income" is between 30 and 50 percent AMI. "Extremely low income" is 30 percent AMI and below.

Permanent Supportive Housing: Permanent supportive housing provides long-term, community-based housing and supportive services for homeless persons with disabilities. The intent of this type of

supportive housing is to enable special needs populations to live as independently as possible in a permanent setting. The supportive services may be provided by the organization managing the housing or provided by other public or private service agencies. There is no defined length of stay.

Special Needs Housing: Special needs housing accommodates and supports specific populations, such as persons with physical or mental disabilities, seniors, ex-offenders, mentally ill adults and runaway youth. Typically, this type of housing is subsidized by federal, state, and/or local funds.

Supported or Supportive Housing: Supportive housing provides permanent housing with services. The type of services depends on the needs of the residents and can include management, medical or psychological counseling and supervision, child care, transportation, and job training provided for the purpose of facilitating the independence of residents. Services may be short term, sporadic, or ongoing indefinitely. The housing is usually “affordable”, or intended to serve persons on Social Security income.

Transitional Housing: Per HUD, “a program designed to provide housing and appropriate support services to homeless persons to facilitate movement to independent living within 24 months.” Per the Boulder Revised Code, “a facility providing long-term housing in multi-family dwelling units with or without common central cooking facilities, where participation in a program of supportive services is required as a condition of residency to assist tenants in working towards independence from financial, emotional, or medical conditions that limit their ability to obtain housing for themselves.”

EDITS TO FACT SHEET (NOTED IN ITALICS IN BODY OF FACT SHEET)

Edits Made Prior to Working Group Meeting #3:

- Per request of working group at February 11, 2015 meeting, added **Housing Policy 7.13 Integration of Permanently Affordable Housing**