



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: September 1, 2015

AGENDA TITLE: Proposed Housing Boulder action plan for 2015 and 2016.

PRESENTERS

Jane S. Brautigam, City Manager

David Driskell, Interim Housing Director

Susan Richstone, Deputy Director of Community Planning and Sustainability

Jeff Yegian, Division of Housing Manager

Jay Sugnet, Project Manager, Housing Boulder

EXECUTIVE SUMMARY

At Council's June 9, 2015, study session, staff presented an overview of the key outcomes and preliminary themes that have emerged from the Housing Boulder analyses and community conversations of the past year.

The purpose of this agenda item is to request council feedback on the proposed Housing Boulder action plan for 2015 and 2016. The proposed actions represent priority areas of agreement as well as areas in which further analysis and discussion are needed, consistent with the preliminary themes that were reviewed with Council in June.



Since spring 2013, the city has worked with the community to gain a better understanding of Boulder's current and emerging housing challenges and to start identifying specific tools to address those challenges in a manner consistent with shared community values. After gathering community ideas for action to help make housing in Boulder more affordable and inclusive, the project team collected community feedback on priorities for action, including identification of which ideas might work best and where.

On June 9, 2015 Council discussed the culmination of the community engagement process in the form of the following "themes." The themes are intended to serve as the basis for developing a housing strategy:

- Preserve Existing Affordable Housing
- Facilitate More Diverse Housing Options
- Partner with Neighborhoods on Housing Solutions

- Improve the Relationship between Jobs and Housing
- Engage in Regional Planning and Action
- Partner to Address Challenges and Expand Options

The full themes document is provided in **Attachment C**.

Based on Council feedback on June 9, staff proposes to complete the overall Comprehensive Housing Strategy after the conclusion of the Boulder Valley Comprehensive Plan (BVCP) update. The final strategy document will provide a housing policy framework, including community priorities for action and specific tools to help meet the six council-adopted goals:

- Strengthen Our Current Commitments
- Maintain the Middle
- Create Diverse Housing Choices
- Strengthen Partnerships
- Enable Aging in Place
- Create 15-Minute Neighborhoods

The Housing Boulder action plan for 2015 and 2016 acts on key areas of consensus (**Attachment A**) that can be moved forward parallel to the housing-related work being undertaken in the BVCP update. This includes the development of a middle income housing strategy and program; articulating the city's housing preservation strategy and priorities; specific actions related to the city's existing 10 percent goal for permanently affordable housing; and exploration of governance models for overseeing implementation of the strategy over time. These are in addition to housing topics to be further explored and analyzed through the BVCP update process, including consideration of the relationship between future jobs and housing as well as the overall housing mix by type, price and households served.

This memo summarizes the Housing Boulder process to date and provides an overview of the proposed Housing Boulder action plan for 2015 and 2016.

I. BACKGROUND

Since adoption of Boulder's 1999 Housing Strategy, significant progress has been made on achieving the city's adopted housing goals, resulting in thousands of permanently affordable housing units for lower income households and placing Boulder in the forefront of housing policy and action nationwide. However, Boulder's housing market continues to be strong, and housing affordability challenges have continued to grow, particularly in the recent economic recovery. In response, Council held study sessions on [Feb. 12](#) and [May 14](#), 2013 to better understand the current housing challenges and provide direction on the development of a new comprehensive housing strategy. Four phases were proposed to develop the strategy:

- 1 Foundations for Action.** A housing market study was completed in 2013 as a first step to understand the city's housing situation for both renters and owners, with a particular focus on housing opportunities for workers and low and middle income residents. This work, including consideration of comparative data from the region, helped quantify Boulder's current housing challenges and identified conditions and trends that helped define the project's goals (see the [Boulder Housing Market Analysis](#)). Additionally, a housing choice

survey and analysis was completed in early 2014 to provide data on residents' and in-commuters' housing needs and preferences (see the [Boulder Housing Choice Survey and Analysis](#)). This work helped provide qualitative data about local housing market conditions as well as housing needs. This phase included focus groups with seniors, Spanish speaking community members, and people who currently commute into the city for work. Council reviewed the foundations work and background materials at a [May 27, 2014](#) study session.

Key findings from the foundations work included:

- Boulder rental market is very tight, with record low vacancy rates (9.7% in 2003, 1.4% in Q1-Q3 of 2013). There was a slight increase in 2014, but that was mostly attributable to new units available for lease.
- The shortage of rental units affordable to 50% Area Median Income (\$31,500) doubled from 2006 (5,800 units to 10,000 units).
- Housing prices in Boulder continue to outpace the county and region – median detached home sales price exceeded \$600,000 in 2013 (\$685,000 in 2014). Recent increases in assessed valuation by the County Assessor have confirmed these trends, with median housing values increasing by an average of 20% in Boulder for the period from June 30, 2012 to June 30, 2015.
- The city's inventory of permanently affordable rental units has helped preserve some lower income diversity.
- Recent trends in some of the housing products being created in Boulder are consistent with shifting market demand towards smaller units, mixed-use, and walkable neighborhoods with high transit access.
- Housing for middle income households, especially family households, is becoming more scarce.
- Demand for housing in Boulder is unlikely to drop— *an expanded toolkit of policies and programs is needed if the city wishes to maintain a mix of households and incomes in Boulder.*

- 2 **Strategic Direction.** With a better understanding of key issues and informed by further discussion with partners, stakeholders and council, the project's next step was to define the strategic priorities and directions for responding to Boulder's housing challenges. To initiate this step in the process, staff drafted an initial "laundry list" of potential policies and tools that might help address Boulder's housing challenges. The purpose of the toolkit was to inform community discussion. Over the past year, additional tools have been identified by community members, boards and stakeholders and subsequently added to the [Toolkit of Housing Options](#).

At its [Sept. 2, 2014](#) meeting, council adopted the [Housing Boulder goals](#) to guide work on the project. These are high level goals that define what it is we are trying to achieve. They were articulated based on existing goals and policies related to housing in the Boulder Valley Comprehensive Plan and input from Council at prior study sessions. Subsequent work will define any quantified targets to measure progress toward each goal, as appropriate. At the same meeting, council also directed staff to pursue the Palo Parkway opportunity site and other short term actions. Five working groups, each comprised of 10 to 12 diverse community members and organized around each of five goal areas, met monthly from

January through May 2015 to evaluate the Toolkit of Housing Options and identify the most promising tools for a broader community discussion.

Broader community outreach was also undertaken, as summarized in **Attachment B**. These efforts were guided by the Housing Boulder Process Subcommittee, formed in February 2015 to monitor and provide input on the public engagement process for the project. The committee is comprised of City Council members Lisa Morzel, Andrew Shoemaker, and Mary Young, and Planning Board members Crystal Gray and Leonard May. Subcommittee [notes](#) are posted on the Housing Boulder website. In total, well over 1500 people participated in the community conversations and events since January 2015, building on the 3000+ participants in the initial survey work of Phase 1.

On April 28, 2015, City Council was provided with a briefing on the project, including the draft [2015 Community Profile](#), [2015 Affordable Housing Trends](#) and outreach materials summarizing Boulder's [housing challenges](#) as well as an overview of community participation opportunities. Planning Board was briefed and provided input on the project on Feb. 19, April 2, and May 21, 2015.

Drawing on the results of Phase 1 as well as input received through the working group process, neighborhood workshops, and online and in-person engagement, staff worked to define preliminary themes that could form the basis of a strategy. A rough draft of the themes was discussed at a Joint Working Group Meeting on May 27 and modified based on input received. The revised draft (**Attachment C**) was then shared with Council and discussed at Council's June 9, 2015 study session.

- 3 Strategic Action.** Council's feedback on June 9 informed development of the proposed Housing Boulder action plan for 2015 and 2016. It consists of housing-related issues that will be considered and addressed as part of the Boulder Valley Comprehensive Plan update, as well as work to develop a middle income housing strategy and program; articulate the city's housing preservation strategy and priorities; achieve the city's existing 10 percent goal for permanently affordable housing; pilot an alternative approach to working with neighborhoods on neighborhood-specific housing issues; and explore governance models for overseeing implementation of the strategy over time. Once the BVCP process and other proposed actions are complete, staff will prepare a final draft Comprehensive Housing Strategy and implementation plan.
- 4 Governance, Monitoring, Reflection and Action.** As strategic priorities are acted upon, an ongoing governance process will engage the community and partners in monitoring outcomes, evaluating changing conditions, and determining next steps in continuing to advance the community's affordability goals. Consideration of alternative governance models is included as part of the proposed action plan for 2015 and 2016.

II. HOUSING BOULDER ACTION PLAN FOR 2015 AND 2016

The Housing Boulder action plan for 2015 and 2016 identifies five strategic initiatives that act on key areas of consensus. Those include:

- Housing topics to be further explored and analyzed through the BVCP update process (e.g., jobs/housing relationship and overall housing mix).

- Developing a middle income housing strategy and program;
- Continued focus on preserving existing affordable housing;
- Continued effort to achieve the city’s goal of 10 percent permanently affordable housing; and
- Specific housing projects and partnerships as well as consideration of alternative governance structures to support the city’s housing strategy over time.

A matrix of the action plan for 2015 and 2016 plan with associated timeframes is **Attachment A**.

Virtual Housing Tour

Since the June 9 Council study session, staff completed a virtual housing tour. This is an effort to help educate the community about the variety of housing options available in Boulder and profile some of the people that live in each type of housing. The idea originated in the community outreach efforts earlier this year of having an “open house” weekend akin to “open studios” in the artist community. However, to provide a “tour” that could be available to a larger number of people and not limited to a single weekend, the idea turned toward creating a similar experience but in an online format. This online tour offers a sample of the various housing types in the community, both permanently affordable and market-rate, highlighting our community’s achievements as well as ongoing challenges. The tour is featured on the HousingBoulder.net webpage, and can be accessed [here](#).

III. NEXT STEPS

Based on Council feedback, staff will proceed to refine the process and schedule for the identified action items. The specific action items will return to Council according to the general schedule as identified in the action plan (**Attachment A**), with appropriate community engagement related to each item. Upon completion of the BVCP process, staff will return to Council to discuss completion of the full Comprehensive Housing Strategy.

The Housing Boulder Process Committee will continue to guide the community engagement efforts for Housing Boulder. Several of the action items will utilize a separate engagement (e.g., BVCP update, Palo Park, Short-term Rentals). The remaining action items will fall under the Housing Boulder umbrella.

For more information, please contact Jay Sugnet at sugnetj@bouldercolorado.gov, (303) 441-4057, or www.HousingBoulder.net.

ATTACHMENTS

- A. Housing Boulder Action Plan for 2015 and 2016
- B. Community Engagement Events Overview
- C. Preliminary Themes for Housing Boulder

 <p>Housing Boulder 2015 and 2016 Action Plan</p>	THEMES					2015		2016			
	Preserve Existing	Diverse Housing Options	Partner w/ Neighborhoods	Jobs and Housing	Regional Planning	Partnerships	Q3	Q4	Q1	Q2	Q3

1. Address housing issues as part of Comprehensive Plan update process

a	Jobs/Housing Mix. Consider potential adjustments to future mix and/or rate of residential and commercial growth	X		X	X							
b	Land Use Map Adjustments. Consider options in focused areas to advance community housing goals (e.g., redesignation for industrial, commercial, or high density residential areas).	X		X								
c	Housing Product Types/Diversity. Analyze land use and zoning to determine if they should be adjusted to facilitate a richer diversity of housing choices (e.g., townhomes, duplexes, family- or all-age friendly-apartments, tiny homes...?). Coordinate with BBC's research for "missing middle" housing.	X	X	X								
d	BVCP Housing Policies. Evaluate the housing and neighborhoods policies. Do they reflect how the city should partner with neighborhoods to preserve and maintain housing and neighborhoods? Do they address preservation of middle income housing, and city goals such as 15-min. neighborhoods?	X	X	X		X						

2. Develop a middle income housing strategy

a	"Missing Middle" Market analysis. Determine what the market is currently producing to serve middle-income households and how unit size and location affect price over time.	X										
b	Potential Interventions. Identify and evaluate land use changes and other market interventions needed to produce desired middle income housing types (e.g., duplexes and triplexes, townhomes, courtyard apartments, bungalows...) and appropriate locations (coordinated with Comp Plan update).	X	X	X		X						
c	Potential Mechanisms. Determine effective mechanisms to support middle income affordability (e.g., shared appreciation down payment loans).	X	X	X								
d	Data Tracking. Identify a methodology to monitor key market data to measure progress.	X				X						
e	Draft strategy. Draft a middle income strategy based on analysis and additional community input.	X	X	X		X						

3. Preserve existing affordable housing

a	Short-Term Rentals. Adopt changes to regulations addressing short-term rentals – Council date scheduled for Aug 27, 2015.	X										
b	One-for-One Replacement. Enable partner-owned housing projects to rebuild to the number of units currently on site in situations where zoning changes have reduced allowed density.	X				X						
c	Preservation Priorities. Identify priorities for preservation funding (housing types and target unit numbers for funding).	X	X			X						
d	Tenant and City Purchase Program. Evaluate a potential program giving first right of refusal to tenants and/or city prior to the sale of market rate affordable rental units.	X	X	X		X						
e	Funding. Continue funding partners to acquire market rate affordable rental housing and make it permanently affordable	X	X			X						

4. Maintain commitment to achieving 10% goal

a	Mobile Home Parks. Explore changes to policies related to mobile home parks – study session scheduled for Sept 17, 2015. Action plan items to be added based on council input.	X	X	X		X						
b	Linkage Fee. Implement the Affordable Housing Linkage Fee on Non-res. Development (w/ potential increase from new study).	X	X		X	X						
c	Tax Exempt Partnerships. Explore with BHP the idea of using tax exempt partnerships to establish a pipeline of acquisitions.	X				X						
d	Affordable Housing Benefit Ordinance. Explore the idea of developing an ordinance formalizing special consideration of affordable housing in development review and approval.	X	X		X	X						

5. Projects, partnerships and governance

a	Palo Park. Complete family housing in partnership with BHP, Flatirons Habitat for Humanity and the Palo Park neighborhood.	X	X			X						
b	Pollard Site. Evaluate alternatives for city owned 30th/Pearl site – study session scheduled for Oct 13, 2015.	X	X			X						
c	Neighborhood Pilot. Outline a process for analysis and community engagement to inform a neighborhood pilot around issues of occupancy, cooperative housing and ADUs/OAUs.	X	X	X		X						
d	University Housing. Continue to engage with and support University of Colorado workforce housing efforts.	X			X	X						
e	Housing Strategy Governance. Evaluate alternative structures for ongoing strategic oversight of the city's housing efforts.	X	X	X		X	X					

Community Engagement Events Overview

Community Forum - “Why Housing Matters” - Jan. 26, 2015

This community forum featured small groups for the 220 attendees to discuss the Housing Boulder goals and other housing topics, followed by a talk by architect Michael Pyatok about his experiences with planning affordable housing in other communities and reflecting on what he heard from the small group discussions. Common topics and themes from the small group discussions included:

- issues relating to affordable housing for renters and owners;
- scarcity of land opportunities;
- maintaining affordability for middle-income residents;
- impacts of higher density, especially parking impacts;
- diverse housing options need to serve individuals, families, and seniors with low and middle incomes, and housing options should include both attached and detached units;
- pressures on housing stock from University of Colorado Boulder (CU) students;
- advocacy for raising occupancy limits, reducing barriers to accessory dwelling units (ADUs) and owners’ accessory units, etc.;
- support for and concern about cooperative housing;
- imbalances between jobs and housing.

Speaker Panel - “Fresh Perspectives on Housing Boulder ” - April 27, 2015

Guest panelists David Doezema, Karen Chapple, Doug Engmann, and Molly Kaufman shared their insights, examples of best practices, and observations about Boulder's housing challenges, then answered questions from community members. The topics discussed included the:

- economics of development, including the impacts of job growth on housing demand;
- relationship between housing supply and housing costs;
- psychological effects of change in a community; and
- strategies to ensure that development benefits the community.

The 180 event attendees also [shared their demographics](#) by responding to a series of questions via keypad polling. In addition to the in-person attendees, 636 viewers watched all or part of the live video stream of the event, 76 percent of participants said it was a good use of their time.

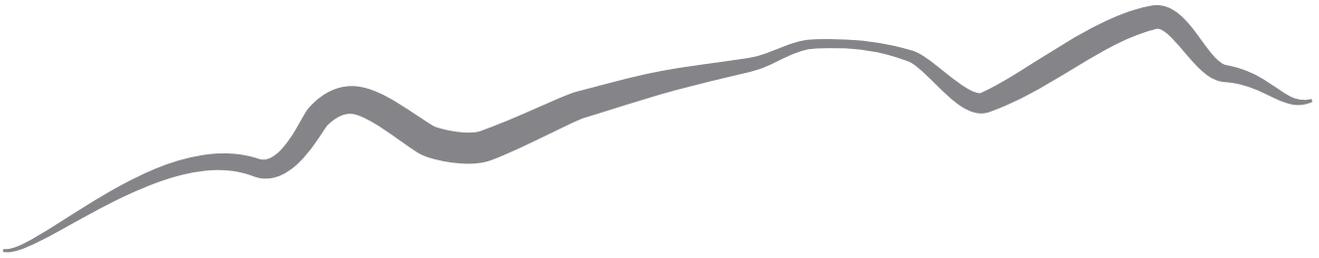
Housing Boulder Neighborhood Workshops - May 11 through May 20, 2015

Five neighborhood workshops were held in different parts of the city to explore possible priorities for housing in Boulder and discuss what might be right (or not) for individual neighborhoods. The top 12 tools identified by the working groups provided a basis for the [participants’ discussions about which tools might work in each part of the city](#). Attendees participated in small group discussions, briefly reported back to the larger group and then [shared their demographics](#) via keypad polling.

- *Central Boulder* – May 11 with 75 attendees
- *East Boulder* – May 13 with 35 attendees
- *North Boulder* – May 14 with 55 attendees
- *South Boulder* – May 18 with 75 attendees
- *Boulder Employers and Employees* – May 20 with 35 attendees

PRELIMINARY THEMES FOR HOUSING BOULDER

Key ideas and strategic directions
for an affordable, sustainable future



June 2015

www.HousingBoulder.net



PRELIMINARY THEMES for HOUSING BOULDER

Key ideas and strategic directions for an affordable and sustainable future

June 2015

The following themes for Housing Boulder emerged from community conversations that have engaged literally thousands of Boulder residents, businesses and employees in discussions about Boulder's housing challenges and opportunities.

It has not been an easy conversation. While there is widespread agreement that the loss of affordability is a significant issue, with impacts for the kind of community we are and will be, there are differences of opinion on how best to respond, or even whether we should respond at all. However, despite points of contention, some shared themes have emerged that reflect areas of general consensus and start to give shape and direction for the development of a meaningful and effective comprehensive housing strategy.

The ideas in this document were developed based on the analysis of Boulder's housing challenges in the Foundations Phase of the project; the input received from council and planning board at briefings and study sessions over the past two years; and community input received through the working groups, open houses, neighborhood workshops, and online and in-person engagement. *Many thanks are due to everyone who has engaged in the Housing Boulder process and helped shape this document.*

The document considers the full range of tools available to the city to guide and facilitate housing outcomes, but recognizes that the city does not directly control the development or even preservation of housing. It is therefore focused on tools such as land use and zoning regulations; related regulatory and policy options; incentives and direct investments that can leverage other resources; and partnerships.

Importantly, the themes and overall strategic directions developed through this process must also take into account other aspects of Boulder's community values—not just our desire to advance affordability. In the process of facilitating housing outcomes, we must also strive to create and preserve great neighborhoods that support healthy human development, advance our ideals for a vibrant and inclusive society, and are consistent with our community's commitment to long term sustainability.

The themes that follow are a first cut at defining the overall strategic direction for Boulder's "next generation" of housing policies and actions. A rough draft of the themes was reviewed and discussed at the final joint working group meeting on May 27. This version represents a second iteration that incorporates feedback received at that meeting.

Based on Council feedback and direction, the Housing Boulder team will conduct additional analysis and work to develop a draft strategy document for community, board and council review and input this summer and fall, taking these thematic areas of focus and making them into actionable strategies. The process for community engagement and discussion will be developed in collaboration with the Housing Boulder Process Subcommittee, and coordinated with the outreach efforts for the Boulder Valley Comprehensive Plan. Updates about the project timeline and next steps will be provided on www.housingboulder.net.

Housing Boulder: Preliminary Theme

1 PRESERVE EXISTING AFFORDABLE HOUSING

Rationale

The addition of new units cannot offset the loss of existing market-rate affordable units. The strategy should prioritize efforts to preserve the affordability of existing units, including units for seniors, lower as well as middle income families, and people with special needs.

Goals Supported

- | | |
|--|---|
| ✓ <i>Strengthen Our Current Commitments</i> | ✓ <i>Strengthen Partnerships</i> |
| ✓ <i>Maintain the Middle</i> | ✓ <i>Enable Aging in Place</i> |
| ✓ <i>Diverse Housing Choices</i> | |

Short List of Potential Tools / Strategies

- | | |
|--|---|
| • <i>Buy and Preserve Existing Units</i> | • <i>Expand Housing Choice (Section 8) Voucher Options</i> |
| • <i>Protect Mobile Home Parks</i> | • <i>Limit Short-term Rentals</i> |
| • <i>Allow One-for-One Replacement of Existing Affordable Units</i> | • <i>Discourage Demolitions</i> |
| • <i>Expand Low-Interest Home Rehabilitation Loans</i> | |

From Theme to Strategic Direction...

There are three aspects of this theme:

- *Ensuring the long-term viability of existing permanently affordable units through continued maintenance and reinvestment;*
- *Acting to bring market-rate units that are currently affordable into the city's permanently affordable housing stock; and*
- *Working to preserve the affordability of market-rate units without having to purchase and place deed restrictions on them.*

The city and its partners are already active in the first two areas, and the strategy going forward should continue to place a priority on these tools, because they make financial sense. As an example, the city recently allocated \$8.25 million in Affordable Housing Funds to assist in the acquisition and rehabilitation of 203 existing apartment units in southeast Boulder. Through this process, these units will become part of the city's permanently affordable housing stock, at a cost of \$40,640 per unit in city contributions, as compared to an average per unit subsidy over the past

continued

ATTACHMENT C - Preliminary Themes for Housing Boulder

three years of \$82,000 in new construction projects. These types of actions do not push the envelope in terms of innovation, but they are proven and cost effective. They should remain a key area of focus.

The more challenging area of action—and an area for innovative thinking—is in preserving the affordability of existing market-rate units without bringing them under deed restrictions. Tools for potential consideration would include actions to discourage the replacement of modest-sized and low-cost homes with larger and more expensive homes, such as protecting existing mobile home parks or discouraging demolitions. Financial tools such as home price buy-downs, rent vouchers and low-interest second mortgages can help bridge the gap between household income and home price or rent, but they do not help preserve the affordability of the actual unit. Development of new tools in this area could form the basis for a Middle Income Housing Program that builds on and extends the city’s successful efforts to support lower income households, with particular focus on middle income families.

*Housing Boulder: Preliminary Theme***2 FACILITATE MORE DIVERSE HOUSING OPTIONS****Rationale**

The market tends to gravitate towards housing products that provide the best return on investment. At present, this includes large, expensive single family homes; market-rate student rental apartments; rental apartments targeted to middle and upper income professionals; and high-end senior housing. The city should use its regulatory tools and investments to facilitate a richer diversity of housing choices and affordability in new development and redevelopment.

Goals Supported

- | | |
|--|---|
| ✓ <i>Strengthen Our Current Commitments</i> | ✓ <i>Strengthen Partnerships</i> |
| ✓ <i>Maintain the Middle</i> | ✓ <i>Enable Aging in Place</i> |
| ✓ <i>Diverse Housing Choice</i> | |

Short List of Potential Tools / Strategies

- ***Identify Appropriate Areas for Land Use and Zoning Changes*** (consider as part of the BVCP Update process; link potential changes to “value capture” provisions)
- ***Provide Bonuses for Higher Affordability and Certain Housing Types*** (allow developments that provide higher levels of affordability or desired housing types to receive an FAR or height bonus; consider limiting to certain areas, such as in areas well served by transit or areas that have undergone an area planning process)
- ***Enable or Encourage Smaller Units*** (tiny homes, small homes, micro-units, etc.)
- ***Encourage New Affordable Senior, Mixed Age Housing and Co-Housing***
- ***Encourage Universal (Accessible) Design in All New Housing***
- ***Utilize City and Partner Land Resources to Facilitate Desired Housing Outcomes***
- ***Use Affordable Housing Funds to Create Housing for People with Special Needs and Other Populations Not Being Served by the Market***
- ***Prioritize the Creation of Mixed Income Developments***

From Theme to Strategic Direction...

There are two aspects of this theme:

- *Identifying areas in the city where the addition of new housing is possible and desirable, taking into account issues such as transit access, 15-minute neighborhood concepts, and impacts on existing neighborhoods; and*
- *In areas where new housing development is anticipated or being planned for, ensuring that the zoning and other regulatory tools, potentially combined with city investment or incentives, will encourage or require the diversity of housing types desired.*

continued

ATTACHMENT C - Preliminary Themes for Housing Boulder

The city has previously used this type of approach to facilitate desired housing outcomes. For example, in 2000 the BVCP update acknowledged the need for more student-oriented housing close to campus, and identified the 28th street frontage road as an area where such development could be accommodated. Zoning was developed and applied to properties along the street frontage, and transportation investments were made to create strong pedestrian and bike linkages to the main CU campus. Now, 15 years later, there are 400 units (1,015 beds) of new student-oriented housing either recently constructed or in the pipeline. Similarly, new zoning was developed to implement the community's vision for the Transit Village (now called Boulder Junction), including a new zone district—RH-6—to facilitate the creation of townhomes, helping ensure a more diverse housing mix in the area. That zoning has resulted in the inclusion of 45 family-oriented townhomes as part of a current site review application for the area. There are other examples, too, of the city using area planning, site reviews, and annexation processes to achieve desired housing outcomes.

The general intent of this theme is that the city can use its land use authorities not only to identify areas where the addition of new housing may be appropriate or desired, but also to drive the creation of specific housing types that support the community's vision for its future. While the tools need to be applied with care (ensuring that there is clear demand and financial feasibility with reasonable rates of return), it is an approach the city has used effectively in the past, and could be applied more broadly, particularly in response to concerns that the market is currently favoring some parts of market demand (e.g., for one- and two-bedroom rental apartments) and neglecting others (e.g., middle income housing for families and seniors). Further development of this as a strategy could consider potential combinations of tailored zoning rules, city investment (land or money), and related incentives or requirements to drive desired housing outcomes, prioritize the inclusion of affordable units "on site" in new market-rate developments, and the creation of diverse, high quality neighborhoods that help to serve middle income housing needs.

This can also include a review of the city's existing zoning to ensure it supports the community's vision. For example, in some medium- and high-density zone districts, requirements for open space, setbacks, and parking can often serve to encourage or even require the delivery of fewer large units rather than more small or modest-sized units, despite stated higher level policy intent. The city's current exploration of form based code is a potential opportunity to consider how density is managed, particularly in areas where medium and high density is anticipated or desired.

*Housing Boulder: Preliminary Theme***3 PARTNER WITH NEIGHBORHOODS on HOUSING SOLUTIONS****Rationale**

Each part of the city is different. What may work as a strategy to support housing choice and affordability in one area, may not work in another area. The city should support processes that allow neighborhoods to develop appropriate responses to housing concerns and opportunities in a manner that advances and preserves housing affordability while being sensitive to neighborhood context and enhancing overall neighborhood quality and livability.

Goals Supported

- | | |
|--|---|
| ✓ <i>Diverse Housing Choice</i> | ✓ <i>Strengthen Partnerships</i> |
| ✓ <i>Maintain the Middle</i> | ✓ <i>Enable Aging in Place</i> |

Short List of Potential Tools / Strategies

- ***Partner with Neighborhoods to Define Area-specific Approaches to Housing Opportunities in Existing Neighborhoods*** (such as preservation of existing housing, accessory units, cooperative housing, and consideration of changes in occupancy regulations and enforcement)
- ***Support Short-term Pilots in Interested Neighborhoods to Test Alternative Approaches***
- ***Revisit the Rules Related to the Sharing of Housing and Creation of Second Units*** (based on neighborhood input, consider potential changes on a neighborhood level or citywide related to accessory units, cooperative housing, and occupancy regulations, including improved enforcement)

From Theme to Strategic Direction...

This theme incorporates ideas and concerns related to the utilization of existing housing (through models such as cooperative housing, or increased occupancy limits to allow more people to legally share the cost of renting or buying a home), as well as the potential for smaller scale “infill” housing in existing neighborhoods (through the addition of accessory units, or “in law” units).

The addition of a rental unit on an already-developed property, or the ability to split housing costs between more occupants, can contribute to affordability. These approaches have appeal in that they use the existing housing stock and land area more efficiently, integrating new housing opportunities, affordability and diversity into an existing neighborhood without significantly disrupting or changing existing neighborhood character. It is no secret that these housing models are already in practice in Boulder, sometimes with appropriate approvals and oftentimes without.

continued

ATTACHMENT C - Preliminary Themes for Housing Boulder

However, such approaches also raise significant concerns regarding neighborhood impacts, such as traffic, parking and noise. These concerns are particularly high in neighborhoods located close to the university campus, where issues of over-occupancy and illegal second units are already widespread.

Developing a more context-specific approach to shared housing and the creation of second units, with opportunities for considering and addressing neighborhood-specific concerns and opportunities, provides a path for testing different approaches to these promising but challenging ideas. Testing alternative approaches at the neighborhood scale could also help inform city-wide code changes and improved enforcement strategies. Creating a pilot program that allows interested neighborhoods to work with cooperative housing groups and others to develop and test ideas could be a promising step toward a more constructive conversation with meaningful outcomes.

Housing Boulder: Preliminary Theme

4 IMPROVE the RELATIONSHIP BETWEEN JOBS and HOUSING

Rationale

There are many factors that drive housing demand, and housing prices. Most of these are not under the control of local government. However, one area the city has control over, through its land use and zoning powers, is the amount of land dedicated to “jobs” and to “housing.” While regional growth will continue to affect prices in Boulder, creating a better balance between jobs and housing within the city can help mitigate this source of housing price pressure. Further, ensuring that non-residential development contributes to the community’s affordable housing efforts can help mitigate the impact of new jobs on housing affordability.

Goals Supported

- | | |
|---|----------------------------------|
| ✓ Strengthen Our Current Commitments | ✓ Diverse Housing Choice |
| ✓ Maintain the Middle | ✓ Strengthen Partnerships |

Short List of Potential Tools / Strategies

- **Identify Appropriate Areas for Land Use Designation and Zoning Changes** (in particular changes from commercial to residential or mixed use)
- **Establish an Affordable Housing Linkage Fee for Non-Residential Development**
- **Utilize City and Partner Land Resources to Facilitate Desired Housing Outcomes**
- **Continue to Work with Key Partners to Provide Reliable, Convenient and Clean Regional Transportation Choices**
- **Consider Establishing an Increased Local Minimum Wage**

From Theme to Strategic Direction...

This theme acknowledges that job growth contributes to housing demand, and therefore is one of the factors that helps drive housing prices. It is, of course, not the only source of housing demand, particularly in a community like Boulder that is attractive to retirees, investors, and the self-employed, to name just a few market segments unrelated to job growth. Also, it is true that regional job growth will contribute to housing prices in Boulder, whether or not those jobs are located within the city limits. Further, it is as much the types of jobs (and salaries) that impact affordability as it is the overall number of jobs.

There is no magic balance between jobs and housing that will eliminate job growth as a factor in Boulder’s housing prices. Nor will it eliminate in-commuting and out-commuting. However, improving the balance between potential future job growth and potential future housing growth

continued

(which is currently strongly weighted towards jobs) will help position Boulder for a more balanced future, and better achieve the community vision articulated in the Boulder Valley Comprehensive Plan.

The city has, in the past, undertaken studies to understand this issue, and subsequently taken action to make changes in land use and zoning to reduce the overall potential for new non-residential development and increase the overall potential for new housing. Nonetheless, the potential for nonresidential development remains high in comparison to residential development (a situation that is common in cities around the country), and further steps could be taken to improve this balance. The upcoming BVCP Update provides an opportunity to look at this issue again, and determine appropriate steps, if any.

Additionally, establishing an affordable housing linkage fee on nonresidential development will help mitigate the impact of job-generating growth on affordable housing by establishing an additional funding stream to support affordable housing investments. Boulder took the first step towards such a linkage fee several years ago in relation to office development in the downtown area, and recently expanded the fee to apply to all non-residential development, citywide (making Boulder one of a handful of cities nationwide to do so, and the first in Colorado). The city is also engaged in a comprehensive review of its development-related fees, which will be looking at this issue more comprehensively and could potentially lead to an adjustment to the recently adopted linkage fee schedule.

*Housing Boulder: Preliminary Theme***5 ENGAGE IN REGIONAL PLANNING and ACTION****Rationale**

Boulder exists within a high growth region, with adjacent communities experiencing some of the same pressures and challenges we face. Many households will choose to live outside of Boulder even if their job or school is in Boulder, and vice versa. While price is a key factor in such decisions, it is not the only one. A comprehensive approach to understanding and responding to our housing challenges and opportunities will require a regional view, and regional action, and coordinated planning for housing, jobs and transportation.

Goals Supported

- | | |
|--|---|
| ✓ <i>Maintain the Middle</i> | ✓ <i>Strengthen Partnerships</i> |
| ✓ <i>Diverse Housing Choice</i> | ✓ <i>Enable Aging in Place</i> |

Short List of Potential Tools / Strategies

- ***Continue to Work with Key Partners to Provide Reliable, Convenient and Clean Regional Transportation Choices***
- ***Ensure that Housing Policy Decisions Are Informed by Appropriate Analyses and Consideration of Regional Trends***
- ***Continue to Work with Local and Regional Partners to Address Issues Such as Homelessness and to Consider Regional Jobs-Housing Balance Issues (and relationship to transportation planning and investment)***
- ***Engage in State-Level Advocacy for Legislation that Improves Local Control over Housing Policy (e.g., rent control and ability to create mixed income developments, ability to protect mobile home parks, etc.)***

From Theme to Strategic Direction...

This theme acknowledges that Boulder exists within a region, and that its housing and job markets extend beyond the city's borders. This is particularly important given that the Front Range is currently one of the highest growth regions in the country. While the policies adopted and actions taken within the city are important, they cannot fundamentally change regional conditions and trends that will affect Boulder's housing prices. Many people with high paying jobs in nearby communities will continue to choose to buy or rent in Boulder, affecting housing prices and rents within the city; just as the current construction of thousands of apartment units from Denver to Fort Collins will undoubtedly affect the price of apartments in Boulder over time.

continued

ATTACHMENT C - Preliminary Themes for Housing Boulder

Recognizing this regional context is important in two ways:

- *To make informed decisions about adopting appropriate policies and tools the city must monitor regional conditions and trends that could affect housing demand and market trends within the city; and*
- *To inform appropriate regional advocacy and planning efforts that will support an economically diverse and vital region with appropriate high quality housing choices at a range of price points and convenient, safe and clean travel options.*

Boulder faces the challenge of straddling two regional planning areas—on the one hand, Boulder is located in the northwestern part of the Denver Regional Council of Governments planning area, viewed as a residential suburb and secondary job center; yet Boulder is also a regional job center in its own right, with a commute shed that stretches from Fort Collins in the north to Denver in the south and Weld County in the east. For this latter planning area, there is no formalized regional planning mechanism. While the city partners effectively with the county and adjacent communities to address transportation planning and issues such as homelessness, the ability to consider housing market issues and land use/transportation planning within this regional sphere requires greater attention.

Housing Boulder: Preliminary Theme

6 PARTNER TO ADDRESS CHALLENGES and EXPAND OPTIONS

Rationale

The city does not develop housing. Private and nonprofit developers, institutions such as the University of Colorado, and individual property owners create and preserve housing, guided by the city's policies, regulations and investments. Having strong partnerships, and alignment around desired outcomes, is key to long-term success in responding to our challenges and ensuring diverse housing choices. While the city has partnered effectively in the past to achieve desired outcomes, it may need to consider expanding those partnerships and undertaking new forms of partnership to achieve community goals into the future.

Goals Supported

- ✓ ***Strengthen Our Current Commitments***
- ✓ ***Maintain the Middle***
- ✓ ***Diverse Housing Choice***
- ✓ ***Strengthen Partnerships***
- ✓ ***Enable Aging in Place***

Short List of Potential Tools / Strategies

- ***Utilize City and Partner Land Resources to Facilitate Desired Housing Outcomes***
- ***Work Closely with CU to Anticipate Future Housing Needs and Create High Quality Student and Work Force Housing in Close Proximity to Campus***
- ***Consider Fee Reductions, Expedited Review Processes, and/or Modified Standards for Permanently Affordable Housing***
- ***Support the Creation of Permanent Housing Options with Supportive Services for the Chronically Homeless***
- ***Work with the County and Others to Address Senior Housing Issues, such as Tax Issues and Availability of a "One Stop Shop" for Senior Housing Opportunities and Supportive Programs***

From Theme to Strategic Direction...

This theme focuses more on the "how" of responding to Boulder's housing challenges than on the "what." It recognizes that the city's ability to affect housing outcomes is limited. While the city helps to establish "the rules" by which housing is both preserved and developed, and is able to invest in the creation of desired housing, it does not build, preserve or manage housing on its own. It relies heavily on partnerships to achieve community housing goals.

Boulder has developed effective partnerships to achieve desired housing outcomes in the past.

continued

ATTACHMENT C - Preliminary Themes for Housing Boulder

These include work with nonprofit housing developers such as Boulder Housing Partners and Thistle Communities; partnerships with Boulder County and other service agencies focused on serving special needs populations, and partnerships with the University of Colorado to identify and respond to student housing needs. The city has also engaged with private for-profit developers to facilitate the creation of permanently affordable units within market-rate developments (through voluntary agreements) as well as with local nonprofits such as Trinity Lutheran Church and Bridge House.

Looking to the future, partnerships will continue to be central to the city's ability to meet community housing goals, with the potential need for new forms of partnership as well as potential new funding models. This may include facilitating new neighborhood-level partnerships (as described in Theme 3 of this document); new regional partnerships (as described in Theme 5 of this document); and enhanced partnership with the University of Colorado and other large employers to address workforce housing issues. It will also be important to explore new forms of public-private partnership to create high quality mixed-income, mixed use developments that integrate housing for middle income families, seniors and others that might not otherwise be served by the market, but who are critical to creating a diverse, inclusive and sustainable city.