



Comprehensive Housing Strategy

Planning Group:

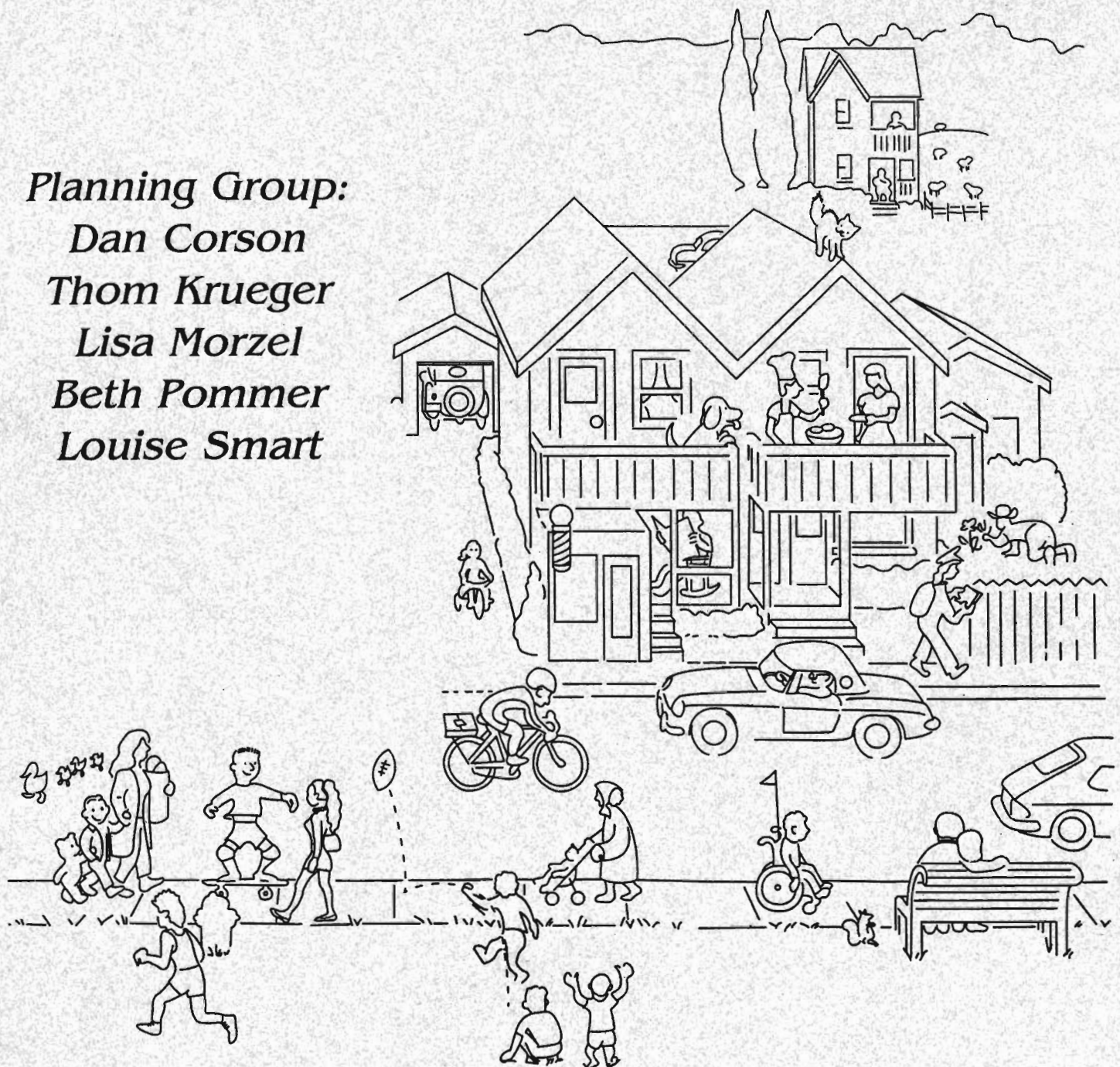
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Preface

This is the second draft of the Comprehensive Housing Strategy, a synthesis of the Planning Group's recommendations on actions to produce more housing diversity and affordability in Boulder. The first draft was released on December 18, 1998. Since that time there has been a meeting of the strategy group, meetings with individual Council members, a significant amount of written public comment, various outreach efforts by members of the Planning Group, and a study session with the City Council on January 12.

This has resulted in a variety of comments. There were a host of suggestions for better ways to present the strategy in terms of words and graphics. We have edited and improved this document to better communicate the strategy that was originally proposed. Also, there were a number of things that were just missed or not refined enough. For instance, the suggestion that we consider accessory units in new construction in the near term is consistent with the Planning Group's direction to consider expansions to this program and has now been added.

Finally, there were some new ideas that the Planning Group agrees with and these have been incorporated. There are some ideas that the Planning Group did not support, but the process is designed to bring those issues out for broader discussion by the community, the Housing Authority, Planning Board and City Council.

There are specific changes in this draft that are substantive in nature and bear mention:

1. There was a considerable amount of comment that a community discussion regarding occupancy limits should occur within the 5 year time frame of the strategy. The report now includes a recommendation that it be looked at in the 2 to 5 year time frame.
2. In the section on special populations and seniors, these groups have been treated separately and the section on special populations has been rewritten and enhanced.
3. A regulatory change allowing detached accessory units within lower density zoning districts and in new construction has been moved up to coincide with the marketing of the current program.
4. The section that previously listed the items that would not be considered within five years has been changed to reflect the notion that while there are clearly priorities in the plan and that some items are considered more effective in the near term, the other ideas that were advanced in the project should be considered as other efforts are completed.
5. The action item on the Residential Growth Management System has been strengthened to give a little more detail. Given the goals of securing a significant amount of affordable housing from new construction and providing a wider range of affordable housing options to homebuilders, other approaches are possible as the specific program is developed.
6. Consideration of a new accessibility building standard that would integrate design features

Table of Contents

Using This Document	1
Executive summary	2
Developing the Housing Strategy	12
What do we know about Boulder's housing situation?	14
<u>The Draft Comprehensive Housing Strategy</u>	19
1. Managing density and growth	19
2. Strengthening partnerships	24
3. Holding and gaining ground on our support for the very low and low income	28
4. Keeping the moderate income worker in Boulder	33
5. Helping special populations and seniors	38
Implementation Plan	46
Funding options	46
Responsibilities	50
Public Education and Outreach	53
Monitoring/Measuring Our Success	53
The Target Groups	55
Low and very low income households	56
Moderate income housing	61
Worker housing	64
University of Colorado housing	67
List of Strategy Group Participants	69
What Actions May Not Be Included Within the Five Year Period	70

Using This Document

The opening section of the draft Housing Strategy includes an executive summary, some background on Boulder's housing situation and problems, and an explanation of the process that was used to develop the strategy.

The second section is the heart of the document. This section describes the five themes of the strategy:

- Managing density and growth;
- Strengthening partnerships;
- Holding and gaining ground on our support for the very low and low income;
- Keeping the moderate income worker in Boulder; and
- Helping special populations and seniors.

The section includes summaries of the action tools that are proposed and a general time frame. The reader of this section will get the essence of the proposed strategy.

The third section is an implementation plan. It includes options for increasing the funding to housing programs, the designation of the city departments responsible for implementing each action, plans for public education and outreach, and a plan for monitoring and measuring the success of the various proposed actions.

The strategy was built around general goals for four target groups: the very low and low income, the moderate income, Boulder's workers, and the students, faculty and staff of the University of Colorado. Attachment A includes background on each of these groups and outlines the actions tools targeted to them.

The recommended actions for the first year are grouped under these five themes. While there is some duplication, it has been helpful hold these five themes as organizing elements for the project.

Low Cost Actions Are First.

As tools were explored, it became evident that there were many effective actions that could be taken that were of low or no cost. Many of these are proposed in the first year in order to jump start the effort.

Residential Growth Management System Revisions Are A Priority.

A low cost action that could yield important benefits is the revision of the growth management system to make it easier to build projects that provide affordable housing. With carefully crafted changes, the Planning Group believes that both the development community and those seeking affordable housing in the future could benefit.

New Affordable Housing Opportunities Will be Identified As Part of the Boulder Valley Comprehensive Plan Major Update.

The Planning Group believes that there may be locations where new housing opportunities could help housing affordability with no or few negative impacts. The next major update will begin this year, and identifying these locations through the course of a community discussion is proposed.

Help for the Very Low and Low Income Population Remains Important.

The housing needs of the very low and low income groups are least likely to be met in the private market. The housing strategy recommends:

- Identifying additional funding to expand existing successful programs;
- Looking at the existing housing stock for methods to guarantee permanent affordability;
- Taking actions that help renters, including expanding the supply of rental housing.

Measurement and Evaluation Criteria Are Essential to the Strategy.

The Planning Group, in moving away from setting numerical goals for the housing strategy, chose instead to focus on a commitment to measure and evaluate each action selected for implementation. The expectation that there will be many mid-course adjustments as we seek the most effective set of programs for Boulder.

The chart on the following page depicts the timing for the implementation of each of the tools according to the five themes.

What We Can Do This Year

Managing Growth and Development

There are a number of tools that fall under this theme which can be implemented quickly and which will provide the impetus for more affordable housing. These are described below. Those that will take more time, particularly changes to be evaluated during the major update to the Comprehensive Plan will be described in a following section.

- **Speed up the development review process.** Complete the implementation of a revised development review process which is more predictable and efficient. The result of this current project will benefit all housing projects through more timely and predictable reviews.
- **Revise the Residential Growth Management System to reflect the objectives of the Comprehensive Housing Strategy.** Projects could move forward without waiting for an allocation by selecting from a "menu" of affordable housing options. These would include: creation of permanently affordable units; a permanently affordable accessory dwelling unit; size restricted units; contributing cash in lieu to the housing trust fund; land dedication; and other ideas. Growth exceeding 1 percent could occur in any year if the additional growth represents affordable housing.
- **Amend the annexation policy to define affordable housing as the highest priority community benefit.** Currently permanently affordable housing is one of several possible community benefits. This tool would: define affordable housing as the city's highest priority community benefit.
- **Identify new affordable housing opportunities through the major update to the Boulder Valley Comprehensive Plan (BVCP).** The update is scheduled to begin in 1999. Land use map changes, possible rezonings, Area II sites for affordable housing opportunities, or changes to the planning reserve will be considered during the course of the major update. An updated analysis of the projected build out in the City will be conducted as a first step of the major update.
- **Expand the number of accessory dwelling units (ADUs) and owner accessory units (OAU).** Please see Educational Outreach and Marketing Section.

Strengthening Partnerships

Some partnerships, such as between the City and the University, have been started and will be continued; others should be initiated as quickly as possible. Actions include:

- **Coordinate housing strategies with related city and county efforts.** The

- **Create incentives for landlord participation in the Section 8 rental program.** Section 8 is a federal program that subsidizes the difference between what a person can afford for a rental payment and the fair market rent of the participating unit. The number of landlords participating in the program has been decreasing. The City should meet with private landlords to discuss and identify incentives to increase participation by landlords.
- **Create a deposit assistance pool for renters.** The City should create a pool of funds to loan to renters who can't afford the required rental deposit.
- **Fast track the development review process for affordable housing.** The development review process should be revised to accelerate affordable projects by assigning them top priority.

Keeping the Moderate Income Worker in Boulder

The City Council has adopted changes to the cooperative housing provisions in the Land Use Regulations with the hope that it will better used. Other actions proposed for this year are:

- **Encourage mixed use housing in order to provide housing alternatives.** We heard from the public that this housing type is needed and it also meets other community goals. These goals include supporting transit use by adding housing along transit corridors, enhancing our retail centers by including a pleasing mix of residential units and corresponding amenities, and encouraging cost savings by allowing housing to be built where existing infrastructure is already in place.

The first step is to convene a workshop to identify the barriers and corresponding incentives that are needed in order to see increases in mixed use housing. The workshop should include builders, bankers or others in finance, designers, development review staff, and others.

- **Promote and expand partnerships for gap financing enabling moderate income workers to purchase housing.** Please see Educational Outreach and Marketing Section.

Helping Special Populations and Seniors

Special populations include people with disabilities, the chronically mentally ill, and homeless individuals and families. The majority of funding for this group's housing comes from the federal government and is thus vulnerable to changing federal priorities. Seniors may reflect a variety of income levels and have unique housing demands. The following actions are proposed:

Special Populations

- **Maintain financial support for programs targeted at special needs populations.**
- **Begin a regional dialogue on how to support homeless populations**

What We Can Do in the Next Five Years

During the next two to five years, we anticipate two major efforts:

- Completion of the major update to the Boulder Valley Comprehensive Plan and implementation of the approved changes to increase affordable housing in Boulder;
- Development of a new funding source to expand existing programs and add new ones

Managing Growth and Development

- **Rezone land for affordable housing.** Through the major update to the Comprehensive Plan, appropriate land should be identified for possible land use changes and rezoning to accommodate affordable housing opportunities.
- **Develop monitoring criteria in conjunction with the major update to evaluate any land use and zoning changes.**

Strengthening Partnerships

- **Work with Employers on housing opportunities.** The City should take a role in researching possible sites for employer-assisted housing and other assistance for employers.

Holding and gaining ground on our support for the very low and low income population

Additional funding is needed to “hold and gain ground on our support for the very low and low income population.” Including both federal and local funding, since the inception of the Community Housing Assistance Program (CHAP), approximately 2 million dollars per year has been available to do the following each year: build or acquire units; rehabilitate existing affordable units; and assist households to purchase their first home. With increased funding, successful existing programs could be expanded, and targeted new programs could be added.

- **Expand the acquisition and development of permanently affordable housing.** By increasing the amount of public subsidy available, additional permanently affordable units can be built by private developers or not-for-profit organizations. It may also be possible to increase the number of rental units under the Section 8 program through incentives.
- **Expand land banking.** Suitable parcels of land identified during the major update to the Comprehensive Plan should be purchased for future affordable housing.

Helping Special Populations and Seniors

- **Incorporate universal design in new developments.** Universal design is the design of products and environments to be usable by everyone, including seniors, the elderly, and people with disabilities, without the need for adaptation or specialized design. The City should consider whether all new residential development should contain these design features.
- **Rezone land for senior housing.** Through the Comprehensive Plan's major update, identify appropriate sites for senior housing.

Although not every idea is included in the recommendations of this report, the work of the Strategy Group was invaluable in shaping the direction of this report. The real world experience of its members brought both a sense of urgency and a sense of reality to the recommended actions. Strategy group members are listed in Attachment B.

Two large public workshops were held. The first workshop was held in mid-September and was attended by about 100 people. Nine break-out groups discussed target groups for housing programs and the best tools to consider. Staff took these ideas and those generated by the Strategy Group and others, and wrote a report called A Tool Kit of Housing Options. The booklet describes and initially evaluates over 60 possible actions to affect the affordability of Boulder's housing stock. This document will be updated to reflect the current thinking about the various tools in time to go out with the January 15 final draft of the Comprehensive Housing Strategy.

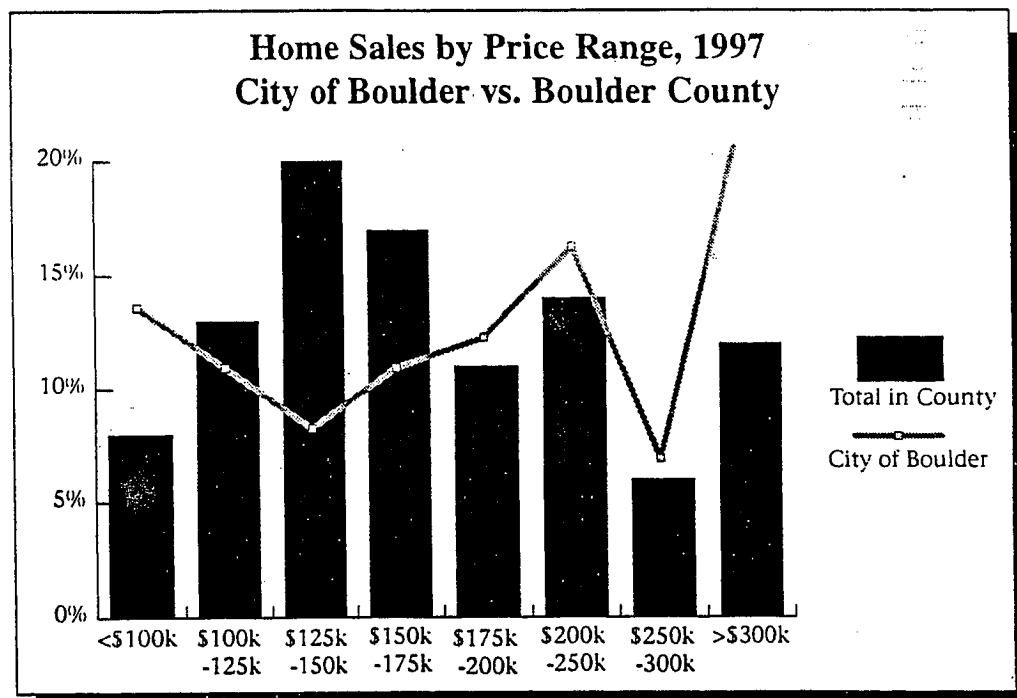
The tool kit became the basis for the second public meeting in November. This meeting was also attended by approximately 100 people. Eight groups spent time going over the tools and identifying those that were the most promising. Following the November meeting, each tool was assessed based on criteria such as cost, ease of implementation, effectiveness and the like. The sum of the comments from the public and this assessment are reflected in the recommendation from the Planning Group.

The Draft Comprehensive Housing Strategy includes more than half of the sixty possible actions originally identified in the Tool Kit. This represents a very ambitious program, and includes the ideas the Planning Group believes have the best potential to achieve the goals for each of the target groups. There were many good ideas generated throughout the process that have not been included in the recommendations. The tools from the Tool Kit that are not included in the recommended strategy are listed in Attachment C.

same time, many of them are limiting new residential growth. The result of these policies will produce a serious land use imbalance between new jobs and new housing units and a corresponding transportation gridlock as workers drive further to their jobs. Based on Boulder county communities' own projections¹ for build out, new jobs in Boulder County are projected at 304,370 while new housing units are projected at 148,370. The Denver Regional Council of Government (DRCOG) estimates that there are an average of 1.6 jobs per household in the Denver-metro region. This leaves a projected shortfall of approximately 41,860 housing units in Boulder county.

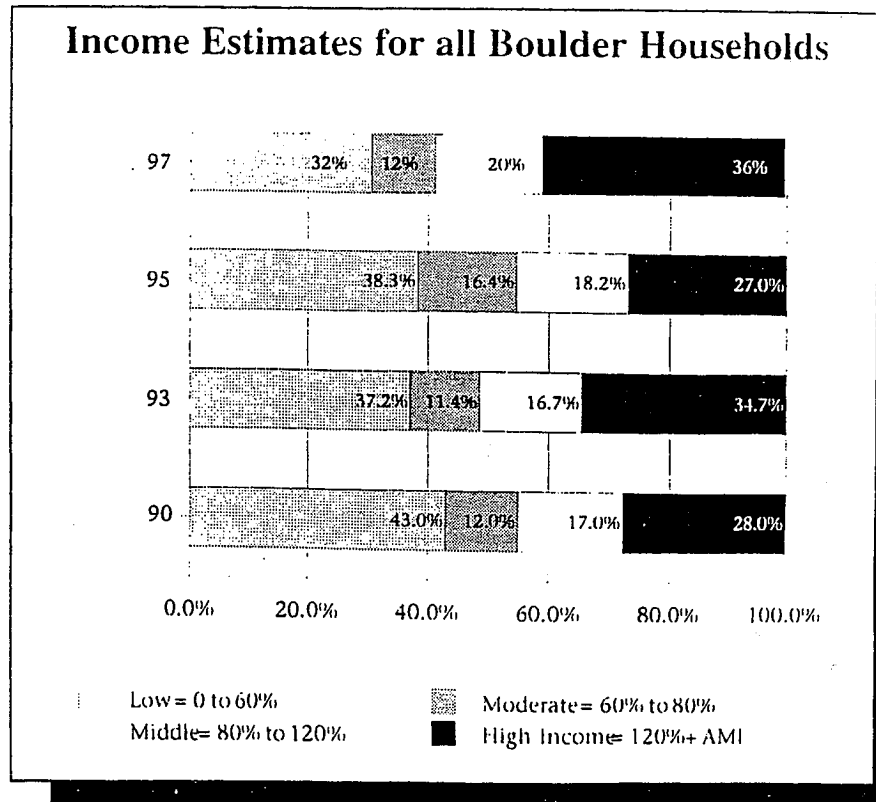
Housing prices will continue to rise throughout the county as long as this demand for housing remains out of balance with new jobs. Increasing the supply of housing in this strong demand environment will not necessarily produce more affordable housing, unless a higher number of units at greater densities than environmentally and politically acceptable are developed. This situation will require a complex and multi-faceted approach county-wide.

A Diverse and Sustainable Community. There is a serious concern that Boulder's population diversity may be at risk. We see this in statistics both about the cost of home sales in Boulder as well as the change in income ranges of the population. The following figure shows the sales price of all homes sold in Boulder county in 1997. It shows that the largest percentage of home sales in the city of Boulder (20 percent) were for homes over \$300,000 in value. It also shows that Boulder has a higher percentage of home sales in the lowest range (under \$100,000). These sales in the lowest range reflect the high number of attached condominium units and resales of mobile homes in Boulder.

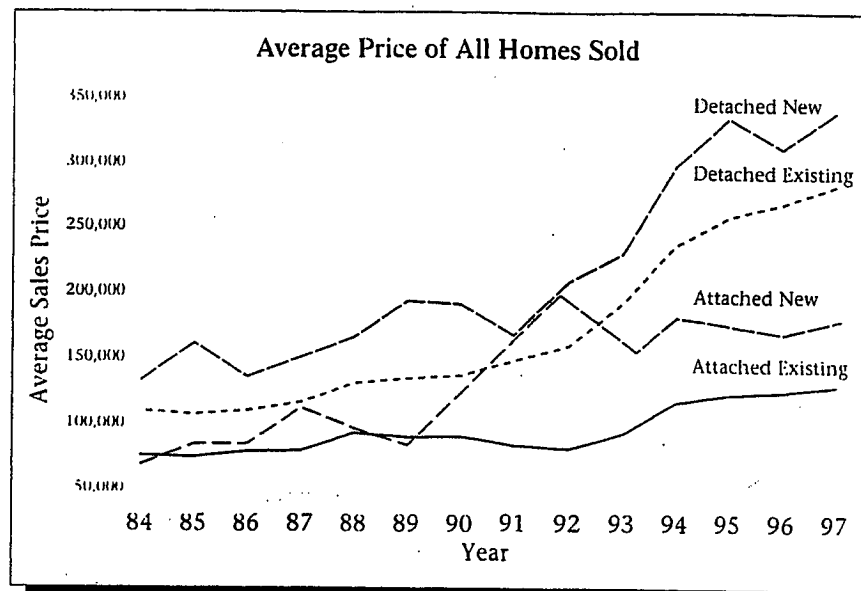


¹Source: DRCOG 11/30/98

The graph below shows trend information for four income ranges from 1990 to 1997, and includes students. The lowest income category has decreased since 1990, from 43 to 32 percent, and the highest income group has increased from 28 to 36 percent. This points to a trend of decreasing income diversity and increasing wealth in the community.



The cost of housing in Boulder has increased substantially. The 1997 average sales price of a new detached home was \$337,994, and an existing detached home had an average sales price of \$281,964. The graph below shows the dramatic increase, particularly in detached housing, from 1990 to 1997.



The Draft Comprehensive Housing Strategy

This section includes the Planning Group's recommended actions. It is organized under five themes. For each theme there is a background discussion and then brief descriptions of the actions organized under: what we are doing now? what can be done right away? and what should be done within five years?

Many tools have been considered in the development of this strategy. The Planning Group has recommended those that they feel are the most promising. Some of the tools address multiple target groups: for instance, mixed use developments could supply housing for low income and moderate income persons, and may house workers and university students as well.

All of the tools proposed will go through a process of analysis and community discussion. For proposed new or revised ordinances, public hearings and deliberation by advisory boards and the City Council will take place.

1. Managing density and growth

Boulder has long been in the forefront of communities that manage growth and development. We have a long legacy of thoughtful planning and growth control aimed at preserving our community's high quality of life. As we have worked on developing a Comprehensive Housing Strategy for the city, it has become clear that increasing the availability of affordable housing in the community and providing more diversity of housing choices to those who want to live here requires increasing the supply of housing targeted to particular groups of people. Therefore, the strategy proposes several methods to increase the amount of affordable housing available through methods such as selectively increasing density and increasing the annual number of residential allocations to gain economies of scale.

Throughout the process, we have heard significant concern expressed about the lack of fairness, time frames, and cumbersomeness of the residential building permit allocation process. The Planning Group believes that the current system unnecessarily increases the cost of development without achieving goals for more affordable housing hoped-for by the current system. Therefore, key to our recommendations are amendments to the system that are aimed at increasing its effectiveness both in terms of meeting the city objective of affordable housing and simplifying the permit allocation process.

The Planning Group believes that our recommendations are consistent with the city's long standing policies to encourage infill and a compact community. In the cases where our recommendations potentially conflict with current policies, we have recommended that these items be discussed and determined as part of the next major update of the Boulder Valley Comprehensive Plan.

There have been a significant number of concerns expressed about the RGMS, but it remains the main “vehicle” for producing affordable housing in new construction. It is also the case that it has not performed up to the expectations of many in terms of the number of affordable housing units produced. However, growth management is a significant value in this community and the recommendation is to continue to manage the growth rate of market rate units. Waiting would still be an option, but in order to provide an incentive for the construction of affordable housing, a larger number of options would be available to each homebuilder.

These options might include:

- building permanently affordable units (on- or off-site)
- building an affordable accessory unit
- donating land for affordable housing (on- or off-site)
- building size restricted units
- purchasing an existing unit and making it permanently affordable
- building mixed use developments or mixed income projects that provide affordable housing, and/or
- an appropriate in-lieu payment.

Developing this ordinance would include a discussion of the appropriate percentages of, and standards for, permanently affordable and size restricted units in projects that are allowed to exempt themselves from the allocation process.

Market rate units would receive their allocations within a reasonable period of time. More residential growth than currently allowed under the 1% growth rate would be permitted if the allocations are for affordable units. Part of the system design will deal with the issue of a fair transition from the existing system to the new one, so that projects that have been waiting in the old system are given credit in the new system.

The basic goal is to secure a significant amount of affordable housing from new construction by providing an expanded menu of options. Drafting of the new system may lead to other options, such as inclusionary zoning, if it is clear that modification of the RGMS will not achieve that goal.

Amend the City’s annexation policy to define affordable housing as the highest priority community benefit

The current annexation policy requires that annexations of land with significant development potential provide a special benefit to the city. Permanently affordable housing is one of several possible community benefits. In order to more actively promote affordable housing or housing targeted to specific populations, like senior housing, the annexation policy should be clarified to:

- Define affordable housing as the city’s highest priority community benefit.
- Identify the expected percentage and type of affordable housing that will be required to demonstrate community benefit.

issue will be considered during the major update to the Comprehensive Plan. As a result of that process, certain parcels of land may have their land use designation changed on the Comprehensive Plan land use map. Existing or new zoning districts will be applied in a comprehensive rezoning of land within the City.

In other cases, changing the actual zoning district may not be necessary, but rather a change in the development standards associated with the existing zoning district may be required. For example, in our neighborhood shopping centers (generally zoned Community Business, or CB) residential units are permitted uses at high density. However, to be able to take credit for sharing the use of the parking for the commercial uses, a developer would have to go through a site review process. New standards could permit limited shared parking.

Revise the ADU/OAU ordinance to expand the numbers and types of accessory units

More accessory dwelling units would create more housing choices for the community. Our existing ordinances permitting an Accessory Dwelling Unit (ADU) or Owners Accessory Unit (OAU) to an existing home will be evaluated to identify barriers and opportunities for expansion. There are a variety of possible amendments to the current ordinance suggested in the Tool Kit, and these will be brought forward for consideration by the Planning Board and City Council.

Have a community discussion about revisions to the occupancy limit regulation

Under today's regulations, housing unit occupancy in single family residential zones is limited to three unrelated people. In multi-family residential zones, occupancy is limited to four unrelated people. Increasing or eliminating occupancy limits was mentioned numerous times throughout the public process as a way to alleviate the demand for housing and to remove people from the illegal situation many currently live in.

However, many interested and concerned community members expressed opposition to this idea. The occupancy limit is perceived by some as a very important safeguard for protection against specific impacts often associated with higher occupancy (parking problems, noise, pets). And it is unclear what the direct long-lasting affordability benefit of increasing occupancy would be.

Ideas in the Tool Kit included allowing an increase in occupancy through a licensing procedure or based on the number of legal bedrooms in a house. These themes were echoed in the public meetings where interest was expressed at looking at a performance based standard for occupancy. In any case, a change to Boulder's occupancy limits is of great interest to different segments of the community, and a public process to discuss and possibly craft a change should be conducted within the five year time-frame.

initial step by requesting that the Consortium of Cities discuss affordable housing as an agenda item in February, 1999. The County will take the lead in organizing the consortium discussion, which will provide the opportunity for each community to report on their affordable housing concerns and efforts, and to consider possible regional approaches to this issue. The City of Boulder should be a leader on this issue and come to the table willing to be a full partner in developing and funding regional programs. Also, the various Housing Authorities in the County meet quarterly to look for opportunities to cooperate.

Engage in a partnership with the University to create more housing for students, staff, and faculty.

Several meetings have been held with university representatives to discuss opportunities to form collaborative partnerships towards some mutual objectives. We have encouraged the University to consider constructing more on-campus housing than the 500 beds currently being considered at Williams Village west of Bear Creek, and to designate the area east of Bear Creek adjacent to Fraser Meadows for faculty and staff housing. The Planning Group has discussed opportunities to assist the University in providing faculty and staff housing by facilitating discussions between the University and private developers, and by providing the University with information on city housing programs that university faculty and staff may be eligible for. Additionally, we have discussed developing an active partnership between the community and the university in addressing the issues related to off-campus student housing.

WHAT CAN BE DONE RIGHT AWAY?

Coordinate Housing Strategies with Related City and County Efforts

Housing is inextricably linked with land use decisions and transportation systems. Particularly in the case of public transit, certain residential densities can help make transit work. There are at least two transportation efforts underway, the County's Regional Transportation Task Force (RTTF) and the City's Transportation Master Plan (TMP) project prioritization, with which the Housing Strategy can be coordinated. Such coordination will help to produce results that mutually support city-wide goals in housing and transportation and lead to land use decisions that are also consistent with our goals.

Start a partnership with employers on housing benefits and programs for their employees

There are various types of employer assistance that may be offered to employees. One type is provided directly to the individual employee in the form of mortgage subsidies, downpayment assistance, relocation payments and the like. The Planning Group recommends that the City host a workshop for employers to provide information on possible ways to integrate housing into employee benefit programs.

Increase the number of on-campus housing units

The University is currently looking at the possibility of private financing and construction of new student housing at Williams Village. The option being considered is the construction of two phases of 250 beds each. The Planning Group supports the University's plans to construct new

university and the community. These efforts probably require a combination of strategies including: activities aimed at behavioral change and prevention; enforcement; City/University investments in the University Hill area. The City would like to explore opportunities with the University for public/private partnerships and direct investment to contribute to the revitalization of both the business area and student rental housing. These efforts could include the location of university office, commercial and/or student service functions on the Hill in University-developed or leased space. Opportunities also exist for University or private/public partnership involvement in improving student housing condition and maintenance. The existing university-owned parking lot is a prime location for redevelopment, especially for university-related student services.

WHAT CAN BE DONE WITHIN THE NEXT FIVE YEARS?

Work with employers on housing opportunities

Employer assistance to increase the supply of housing might include developing additional housing units through such actions as the provision of land, construction financing or purchase/lease guarantees. The city should take a role in researching possible sites for employer-assisted new housing.

WHAT'S HAPPENING NOW?

Housing Fund Programs

Each year, approximately \$2 million is allocated to help build or acquire about 40 units, rehabilitate about 200 existing affordable housing units and assist 12 to 15 households to purchase their first home.

A Technical Review Group and a Citizen's Community Development Block Grant Committee each review grant requests annually and make recommendations regarding those requests to the City Manager and City Council. Both federal and local funds are allocated. Funds are granted on the condition that the units are made permanently affordable. There are a variety of funding priorities that are approved by the City Council every two years and currently include housing for special populations, home ownership and mobile home parks.

Development Excise Tax Waiver

Voters in the 1998 election approved a ballot proposal to consolidate most of the City's various excise taxes into a Development Excise Tax (DET) and to allow City Council to waive the DET and Housing Excise Tax (HET) for permanently affordable housing projects as well as other public or urban renewal projects which provide a community benefit.

Council is currently considering an ordinance that accomplishes the elements approved in the ballot issue. Following Council adoption of an ordinance, staff will establish the processes and standards necessary to handle waiver requests. This will include a decision on a definition of affordable housing and a discussion on ways to make up for the loss of revenues needed to provide the services created by new growth.

WHAT CAN BE DONE RIGHT AWAY?

Enhance the Section 8 program

The Section 8 program provides rental assistance to low income people. Low income participants pay 30% of their adjusted income for rent; the federal government provides a subsidy equal to the difference between what the person can afford to pay for rent and the market rent, known as the Fair Market rent. There are more than 600 households in Boulder receiving Section 8 assistance. The need to enhance this program comes from two concerns: 1) The support for Section 8 assistance at the federal level has been inconsistent; and 2) The number of landlords willing to participate in the program has been inconsistent. In the short term, the Planning Group proposes two immediate actions, listed below. In the long term, the local community may need to consider supplementing or replacing the federal system. The two action items are:

- Investigate the creation of an equity pool for renters. Those renting in the private market, particularly in the Section 8 program, could borrow the funds to pay the required first and last month's rent and/or damage deposit.

Boulder's only mobile home zoning category requires a minimum of 5 acres; other residential zones require a minimum of 10 acres for a mobile home park. Through the BVCP update process, sites suitable for a new mobile home park should be identified and the standards for minimum size reconsidered.

Waive fees for affordable housing

Multiple fees and taxes are required for all new housing units under Boulder's existing codes. Boulder voters recently passed a ballot issue exempting affordable housing from the Development Excise Tax (DET), of which the Housing Excise Tax is a component. Decreasing or eliminating some or all development fees provides a financial incentive to a developer to build an affordable product by decreasing up-front costs, which can ultimately mean a less expensive finished product to buyers or renters in low or moderate income groups.

The Planning Group recommends the following actions:

- Non-DET fees should be studied to determine which, if any, would be appropriate to waive for affordable housing.
- New policies would need to be developed to address fee waiver and if fees/taxes would be waived for whole projects that contained some affordable units or only for the affordable units.

Expand the Acquisition and Development of Permanently Affordable Housing

Currently, the City allocates local and federal funds for the acquisition and construction of affordable units. Units that are acquired or built with these funds become permanently affordable through a deed restriction. Funds are allocated once a year on a competitive basis. Both not-for-profit and for-profit groups are eligible to receive these funds. This tool proposes that these resources continue to be targeted to low income people and that new sources of additional funds be considered by the Funding Task Force to expand these programs. The programs are:

Existing programs:

Grant funds:

- Community Housing Assistance Program (CHAP): local fund source from property tax and tax on new development.
- Community Development block Grant (CDBG) and HOME funds - federal sources allocated to housing.

City run programs:

- Mobile Home Rehabilitation - grants up to \$5,500 to correct housing code and life safety problems.
- Rehabilitation Loan Program - low interest loans of up to \$15,000 are provided to single family homeowners for a term of 30 years to allow the homeowner to remain in their home under decent and safe conditions.
- First Home - down payment assistance program for low and moderate income first time

4. Keeping the moderate income worker in Boulder

The Moderate Income Population. Sustaining a substantial moderate income population in Boulder will take a variety of forms. For families in a moderate income range of from \$35,000 to \$50,000 annually, expanding programs which provide down payment assistance to help with home purchase in exchange for a permanent affordability restriction is proposed. Encouraging employers, private investors and the City to establish an equity pool to provide partners in the acquisition of existing housing is recommended by the Planning Group as well. Cooperative housing will primarily help this income group.

Families and workers at the upper end of the moderate income range of \$50,000 to \$75,000 may be helped by easing the requirements for Accessory Dwelling Units and by building more mixed use housing units and size restricted homes. The use of a privately funded equity pool would be appropriate for this group. Other financing tools are provided through the City's use of private activity bonds.

Moderate and high moderate income households have remained about the same percentage of the population in the 1990s - approximately one-third. However, the purchase of a home is increasingly out of reach for this portion of the Boulder community. The choice of housing is constrained not only for moderate income workers, but also for those in the high moderate income category. At this time a family at the high end of the moderate income range could afford a mortgage of approximately \$131,600. A family at the upper end of the high moderate income range could afford a mortgage of approximately \$210,000. With the median price for single-family detached home at almost \$268,000, the moderate income household is facing a dwindling range of housing choices to either move into Boulder or move-up within Boulder.

Due to the city's limited land supply, it will be increasingly difficult to provide new single-family, detached housing for moderate and high-moderate income households. However, there will be opportunities to provide innovative attached and small lot single-family detached homes in new developments.

Housing Workers. When the "housing infrastructure" is not in place, employers have a difficult time recruiting and retaining good employees. As employees commute farther to work and congestion worsens, the quality of life for the employee worsens. In some places, most notably the San Francisco Bay area and the resort communities of Colorado, employers have chosen to help their workers find housing.

Employer programs can take two forms. In the first, the employer builds or leases housing units for the benefit of the employees. City zoning and building codes may need to be modified to make these schemes work. In the second form, the employer helps with the down payment on a house for the worker or invests in an employee's house on the condition of shared equity in the future. The city may have a role in working with employers to develop direct subsidy programs

- Insufficient funds for down payment
- Insufficient funds for closing
- Inability to qualify for amount of loan
- Credit problem

The City should be strengthening these existing partnerships and creating new ones with additional local lenders. In many cases, people do not know about these existing programs. Outreach and public education is needed. The City's FIRST HOME program leverages private financing to assist low/moderate first-time home buyers by reducing the private loan amount (gap financing) or lessening the monthly carrying costs to the buyer. The City depends on the underwriting expertise of the participating lenders when these loans are reviewed.

The City of Boulder is a recognized partner of Fannie Mae, and anticipates continuing to work with them in the future. Their programs allow partnerships between non-profits, government, employers to meet minimum down payment requirements. They allow flexibility for low/moderate income buyers in the following ways: to use funds from these partnerships for their down payment; to allow a greater percentage of their monthly income to qualify for a mortgage; to accept nontraditional methods of establishing creditworthiness; and to require less cash at closing. Local Lenders can create customized programs to meet specific needs, particularly in conjunction with the FIRST HOME program, since the loan to value ratio is reduced by the FIRST HOME investment.

Encourage more mixed use development

Mixed use is the planned combination of residential uses with either commercial or industrial uses. Ideally, the various uses are carefully integrated and the project has a pedestrian orientation. Today in Boulder, mixed use is allowed in commercial and some industrial zones, and new zones have been written especially to promote this land use type. There are significant opportunities to increase the amount of housing in Boulder's neighborhood retail centers.

The Planning Group recommends amending the business and industrial zones to add incentives for mixed use that are working in the main street and mixed use zones; and developing a design prototype for a mixed use project in an existing Boulder shopping center.

WHAT CAN BE DONE WITHIN THE NEXT FIVE YEARS?

Expand the Rehabilitation Loan Pool

Home rehabilitation loans are provided by the city to low and moderate income households for the purpose of making code and safety repairs. The City has operated this program for approximately 21 years. It is most helpful to seniors and others on fixed incomes and has often meant the difference between allowing them to remain in their home or having to make other housing choices. The program is designed to act as a revolving loan fund where loans are repaid and the proceeds are used for new loans.

recommends that the City set up a demonstration program that converts into a privately operated investment pool.

Although this type of program has been used in other parts of the United States it is a relatively new concept. A number of educational and research steps may be required prior to developing the equity pool in Boulder. More specific actions include:

- Conduct market research to help define what is the market interest and what level of City subsidy might be needed to set up the demonstration equity pool.
- Define program parameters and adopt requirements for participation.
- Hold a workshop to attract public and private funding sources to participate in the program.
- Set up framework and legal boilerplate documents for participant's to use.
- Market the equity pool concept.

Partner with a Mutual Housing Association on a Rental Project

Mutual housing is a rental housing option where the property is owned by a housing non-profit organization, and the tenants are actively involved in the management of the housing. For example, in the case of the Rocky Mountain Mutual Housing Association (RMMHA), 51% of the board of directors and 40% of the staff are tenants of units owned by the association.

The Planning Group recommends that the Housing Authority or another local housing non-profit corporation work in partnership with RMMHA, or another mutual housing association, in the development of mutual housing projects. A mutual housing project should be considered for funding by the Funding Task Force.

Barriers Program. Over 150 units of housing have been made accessible to persons with disabilities through this program.

The need for affordable rentals at very low rates is supported by the AAHOP report. The majority of wheelchair users responding to a survey spent approximately 50% of their income on rent and have a median annual income of about \$8,230.00.

How many units currently?

Sage Court	19
Mary Sandoe	24
Barriers Removal	150
Housing Authority Units	28
Independent Living Units	9
Developmental Disabilities	15 beds in two group homes

Individuals with Mental Disabilities

According to the Mental Health Center, 150 chronically mentally ill individuals are at risk of homelessness in the community. As population continues to grow county wide, and vacancy rates remain low, this group will find it increasingly difficult to locate affordable housing. The County Mental Health Center and the Housing Authority provide units to house those with mental illness, as these people attempt to stabilize their lives and find permanent housing. In conjunction with housing, individuals with mental illness need support services, such as counseling, to maintain their recovery. Their successful integration and transition depends on both a housing and service component.

Homeless Individuals and Households

Those at risk for homelessness include people and households with on-going life challenges such as those described above, as well as those who are situationally homeless due to loss of employment or change of life circumstances such as divorce or the estrangement of youths from their families. There are 185 shelter beds available to meet the needs of approximately 671 homeless persons in the county.

Federal assistance provided to homeless programs has been substantially reduced. In the fall of 1998, homeless providers, local governments and the state submitted a coordinated application through the Metro Denver Homeless Initiative to HUD requesting \$11,819,120 for thirteen projects. In December, 1998, MDHI was informed that only six of those projects received continuation funding. The total amount of funding received totaled only \$4,122,314 out of a total of \$7,449,948 needed to keep existing programs operational.

Two programs that provide outreach to homeless persons on the street will be forced to close. One of these, StreetReach, was operated by the Boulder Shelter for the Homeless.

WHAT CAN BE DONE RIGHT AWAY?

Draw on tools proposed for low and very low income households, including:

- development excise tax waiver
- enhancing the Section 8 program
- fast track the development review process for affordable housing

Maintain financial support for programs targeted at special needs populations

Continued funding to these sources is critical to maintaining the existing supply of affordable and accessible units in the city. The Planning Group recommends creating active partnerships between the housing providers, i.e. the Housing Authority, Thistle Community Housing, the Affordable Housing Alliance and private developers, and those who provide services to special populations such as the disabled, chronically mentally ill, homeless, and displaced youth. Partnerships between clients in need and housing providers who could assist in acquiring or building units for these special populations should be facilitated.

Begin a regional dialogue on how to support homeless populations

As part of scheduled regional discussions between Boulder County municipalities and housing authorities, introduce the topic of homeless need and the shared responsibility to house homeless individuals and families.

Be innovative in our approach to homeless issues

Many other communities are moving beyond providing basic refuge for homeless households. Successful programs include providing transitional and more permanent housing that allows previously homeless individuals to stabilize their lives in subsidized units. Some successful programs include a home ownership element. Boulder service and housing providers should research these successful programs across the county to identify approaches that would work in Boulder and then apply the lessons to create new opportunities for formerly homeless individuals to move up and out of poverty.

Increase resources targeted to these programs

In addition to maintaining funding and programs, new fund sources should be sought to expand these programs. Although certain grant requests have not been funded, there continue to be significant federal dollars available to special populations, including the homeless. Populations in the greatest need, such as people with disabilities, chronically mentally ill and homeless individuals and families should continue to be the targets for both federal and local housing funds.

Include accessible housing in future development and redevelopment projects

Accessible housing units are those designed for people with limited mobility, including those in wheelchairs, those with hearing and visual impairments, and sometimes the elderly. This housing tool proposes to increase the number of accessible units in future development and redevelopment. Universal design techniques that would make housing units more accessible are

Universally designed units could be constructed by public/private partnerships. Financing might include Housing Program Funds, CHFA, State of Colorado, and long term debt. Rents paid by the disabled living in the units would pay a portion of debt service.

SENIORS

Seniors comprise 12% of the population. The number over 65 is expected to increase with the aging of the baby boom generation, resulting in a future increased demand for senior housing.

While the proportion of the population in Boulder over 65 is less than in the nation as a whole, it has been increasing since 1970. The number of people over 65 is expected to increase with the aging of the baby boom generation, resulting in a future increased demand for senior housing.

According to 1990 Census data, nearly two thirds of elderly one and two member renter households with incomes up to 50 percent of area median income (AMI) pay over 30 percent of their income for rent; more than one third spend more than 50 percent of their income on rent.

For those elderly requiring assistance services, the most critical issue is the cost of these programs and the current lack of subsidies. Services needed include assistance with shopping and errands to assistance in the home with chores and meals. Another major issue for the community in seniors aging in place, requiring increasing services while desiring to remain in their current homes.

WHAT'S HAPPENING NOW?

Housing choices and the approximate number of units for seniors available in Boulder include:

- 575 independent living units (subsidized)
- 442 independent living (unsubsidized)
- 274 assisted living units
- 629 nursing home beds

These units include both privately and publicly developed and managed projects. For those capable of independent living, units affordable to very low and low income elderly are in short supply. The Housing Authority owns and manages two buildings for low income seniors. These buildings are located in central Boulder and provide housing for 177 senior households.

WHAT CAN BE DONE RIGHT AWAY?

Promote and/or Expand the Reverse Mortgage Program:

Banks currently administer this financing program which enables homeowners, primarily elderly, to receive equity from their homes, either as a monthly payment or lump sum. The City of Boulder refers any interested homeowners to the Boulder County Housing Counselor who provides them information on how much they would receive, and how much their equity would be reduced, and the applicability of this program to their specific needs and age. Two options to

specifically for seniors.

RGMS, projects eligible to pay this fee should be increased and an analysis of the appropriate level of the cash-in-lieu fee should be prepared.

Community Housing Assistance Program (CHAP)

This is a local source of funding which began in 1991. It includes a housing excise tax (HET), assessed on new residential and non-residential construction, of approximately \$.34 and \$.16 per square foot respectively, and eight tenths of a mil of property tax. Based on the recent election, this will increase in 1999 to \$.39 and \$.18 per square foot for non-residential and residential development respectively. In the past it has generated approximately \$1 million dollars per year, and is used to landbank sites, acquire existing units, build new units, or rehabilitate existing units, with an emphasis on housing for working households with low incomes up to \$35,000 in household income. A permanently affordable covenant is placed on all properties receiving funding.

Housing Excise Tax (HET)

See Community Housing Assistance Program (CHAP)

Housing excise taxes are typically assessed on new construction, both commercial and residential. The amount of tax varies depending on the type of structure and is usually charged prior to occupancy of the building. A HET levied on non-residential construction is one type of commercial linkage program, although housing impact fees are much more common. The City of Boulder's program is the only example that has been found which uses this tax. A recent election provides for the per square foot assessment to increase each year for approximately the next seven years based on the amount of the cost of living increase. The Funding Task Force should evaluate whether this tax should be increased.

Federal Funding Sources

Community Development Block Grant (CDBG)

This is an ongoing federal Housing and Urban Development (HUD) program which can be used for community development projects, historic preservation, and affordable housing for low income households. The City of Boulder has received CDBG funds since 1975. For more than 15 years, about fifty percent of each year's allocation (approximately \$400,000) has been used for housing projects which benefit low and moderate income households, especially the elderly, disabled and homeless persons.

Federal Housing Grant (HOME)

A HUD program to be used exclusively for affordable housing projects that benefit low and moderate income households. The City of Boulder has received HOME funds since 1992 and currently receives approximately \$500,000 per year for permanently affordable housing projects that benefit low and moderate income households.

on the day the bonds are sold. This program is used by the City to fund reduced interest rate mortgages for low and moderate income home buyers.

State Funding Sources

State Division of Housing Funds

The State allocates funds statewide for housing projects that include both state and federal funds, representing approximately 12 million dollars per year. The State Division of Housing allocates the State's HOME and CDBG funds as well as other state funds. Projects within the City of Boulder have received funding from this source.

Other Funding Options Not Currently Used by the City

Commercial linkage

A tax charged on new development that is directly linked to the need for affordable housing generated by the proposed use. Taxes charged on **commercial development** are more common since the link between employment and the demand for additional housing is relatively easy to demonstrate. The developer could build housing units on or off-site, or pay a tax instead of providing housing. This tax would need to be approved by the voters.

Occupational Tax (Employee Head Tax)

A tax levied on employees, sometimes referred to as an occupational privilege tax. This tax can be either paid directly by the employer or deducted from the employee's compensation or shared by both. Currently Aurora, Denver, and Greenwood Village levy this tax. This tax would need to be approved by voters.

Real Estate Transfer Tax (RETT) New RETTs are currently prohibited by state legislation.

A tax that is assessed when real estate is bought or sold; the rate is typically a percentage of the sales price of the property or can be based as a fixed dollar amount per \$1,000 of assessed valuation.

Sales Tax for Affordable Housing

Dedicated sales tax currently exist in Boulder for open space, transportation, health and safety protection (including human service and environmental issues), and parkland. Additional sales tax for affordable housing could be approved by voters.

Increase the number of off-campus units targeted for students in areas close to campus	<i>Planning</i>	<i>University of Colorado Housing</i>
Work with the University of Colorado to provide housing or housing assistance for faculty and staff	<i>Housing Planning</i>	<i>University of Colorado</i>
Develop a partnership with the neighborhoods, the university and the student government to address off-campus student housing issues	<i>Planning</i>	<i>University of Colorado City Manager Housing Development and Inspection Services</i>
Work with employers on housing opportunities	<i>Housing Planning</i>	<i>Chamber of Commerce</i>
Holding and Gaining Ground on our Support for the Very Low and Low Income		
Housing fund programs	<i>Housing</i>	
Development Excise Tax Waiver	<i>Housing</i>	<i>City Attorney</i>
Enhance the Section 8 Program	<i>Housing</i>	<i>Housing Authority</i>
Fast Track the Development Review Process for Affordable Housing	<i>Planning</i>	<i>City Attorney</i>
Purchase existing mobile home parks	<i>Housing</i>	
Rezone land for a new mobile home parks	<i>Planning Housing</i>	
Waive fees for affordable housing	<i>Planning</i>	<i>Housing Development and Inspection Services</i>
Expand the acquisition and development of permanently affordable housing	<i>Housing</i>	<i>Housing Authority</i>
Expand land banking and community land trusts	<i>Housing</i>	<i>Housing Authority</i>
Keeping the moderate income worker in Boulder		
Revise the cooperative housing ordinance	<i>Planning</i>	<i>City Attorney Housing</i>
Promote and expand partnerships for Gap financing	<i>Housing</i>	
Encourage more mixed use development	<i>Planning</i>	<i>Housing BURA DUHMD</i>

Public Education and Outreach

One of the outcomes of the public workshops was a request for the City to provide more information and outreach to the public about existing programs. In many cases people who might need housing programs don't know about them, or don't know how to take advantage of them. Education and outreach needs to provide more information to people who need it.

This outreach element should also focus on key partnerships, such as with the County, Fannie Mae, local lenders, and Boulder employers to jointly promote and expand existing programs. A part of this effort would be developing an understanding of what each of these partners are currently doing, and how we can jointly work together to promote or expand existing affordable housing programs.

In addition, the public expressed a desire to be kept abreast of new developments in the Strategy as they occur. The City should develop a plan to keep people informed of new programs or progress in the implementation of the Comprehensive Housing Strategy

Monitoring/Measuring Our Success

Monitoring. Ongoing monitoring should be conducted to track Boulder's annual growth rate and corresponding impacts to existing services and facilities. Indices to measure impacts on the following facilities and services should be developed:

- Roads, i.e. vehicle miles traveled, # trips, transit ridership
- Utilization of schools (adequacy of existing schools)
- Utilization of open space and mountain parks
- Parks and recreation centers
- Fire department response time
- Police services
- Library services
- Water and wastewater capacities
- Human services

Employment growth in Boulder and in the region as well as population growth in neighboring communities will also impact some of these facilities and services i.e. roads, vehicle trips, bus and transit use, use of open space, to name a few.

Measuring Our Success. One way to measure success is to conduct an analysis of the progress of the overall Housing Strategy each year. This should include an annual update on what programs were implemented during the year, at what cost, and with what results. The City Council could then compare various tools and their cost benefit, based on the results produced. Of course for some tools, final results may not occur for several years, but progress should occur each year. We will measure our results, create a report, distribute it broadly to the community as a whole, and compare our progress against benchmarks.

ATTACHMENT A

THE TARGET GROUPS

Four primary target groups were identified during the process: Very Low and Low Income; Moderate Income; University Students, Staff, and Faculty; and Worker households. Strategy group members as well as public participants in the workshops divided into small groups to discuss the needs and possible tools to produce affordable housing alternatives for each of these four target groups.

This section summarizes the initial goal set by Council, some of the background information, current programs, and public comment for each target group.

- disabled applicants has increased.
- Approximately 2% of the population is disabled or 1,600 people, and there are approximately 245 beds available.
- There are 51 housing units for the chronically mentally ill in the City. It is estimated that there are 150 chronically mentally ill persons at risk of becoming homeless.
- 1,700 unduplicated people were served by the City's homeless shelters in 1997. On June 15, 1998 a count found 671 homeless people in Boulder County. There are 185 shelter beds in the City; 49 provided by the First Church of the Nazarene for overflow from the shelter.
- 12 percent of Boulder's population are seniors; 13% rent their homes; there are about 2,100 beds for seniors, including assisted and independent living, nursing homes, and Housing Authority units.

CURRENT PROGRAMS

Very Low Income

Most of the housing available to the very low income group is subsidized, primarily by the federal government. There is concern that future funding as well as private sector participation may be decreasing.

1. Permanently affordable rental units

In 1991, the City began using local and federal funds to subsidize permanently affordable housing. The City has been able to increase the amount of such housing as well as to target very low income households. The total percentage of grant-funded and permanently affordable units is 1,756, or 4.4% of the total housing stock.

The Housing Authority directs much of its effort to assuring that at least 1,000 housing units remain affordable to households whose average income is \$6,000 or below. Thistle owns and manages 96 permanently affordable units subsidized through funds from CHAP, CDBG, and HOME programs.

Permanently affordable units are funded by the City's Housing Fund Program. Increased funding for this activity would result in more permanently affordable units in the community.

2. Federally Subsidized Section 8 Program

This is a federal rental assistance program for low income households living in privately owned market rate rental units. If the rent is within HUD's definition of Fair Market Rent (FMR), the certificate and voucher program pays the difference between 30 percent of a low income household's gross income and the rent. In Boulder there are approximately 700 certificate and voucher holders living in private market units.

2. Rehabilitation Loan Program

The Rehabilitation Loan Program provides low interest loans of up to \$15,000 to single family homeowners to correct life safety and housing code problems and generally enable the homeowner to remain in their home under decent, safe and sanitary conditions. This program has been especially helpful to seniors and single parents on fixed incomes and has often meant the difference between allowing them to remain in their home or being placed in some form of public or institutionalized housing. The program is designed to act as a revolving loan fund, so that as loans are repaid, those proceeds are used for new loans.

3. Mobile Home Assistance Program

See description under "Very Low Income" programs.

4. Down payment Assistance

The City grants from \$7,000 up to \$45,000 through the First Home program to low and moderate income households in order to buy down the price of a home so that the household can qualify for a mortgage. In exchange for this assistance, a covenant is recorded on the property to insure that the home remains permanently affordable to future buyers. What this means to the recipient is that appreciation of the home is capped at approximately 3% per year. The program primarily has helped moderate income buyers purchase homes.

5. Private Activity Bonds/Mortgage Revenue Bond Program

This program is used to fund reduced interest rate mortgages for low, moderate and middle income home buyers. The program is successful in environments where interest rates are rising. The City has had mixed success with the program in the past. The City's allocation of private activity bonds has also been used to fund the Mortgage Credit Certificate program. This program allows low and moderate income households to receive a credit against their federal taxes.

6. Reduced Rent Program

The Housing Authority operates a "Reduced Rent" program, targeting low and moderate income households. The Reduced Rent program provides one, two and three bedroom apartments and mobile homes at below market rents. The units are rented at approximately 60% of their market value rent. The program is designed to help families whose income may be too high to qualify for federally assisted programs, but who would benefit from a reduced rent. The Authority currently has 120 units in its rental portfolio.

PUBLIC COMMENT

The importance of the distinction between **very low income** residents and meeting their housing needs, and **low income** residents and meeting their needs, was made throughout the public process. The very low income group includes the homeless, people with disabilities, seniors with

MODERATE INCOME HOUSING

GOAL

Identify opportunities and strategies to maintain and potentially increase the city's stock of moderately priced housing, especially for families.

BACKGROUND

The moderate income population is one in which many Boulderites might consider themselves. In working towards formulating a housing strategy the *moderate income category* became a combination of what is traditionally defined as moderate income and middle income; for discussion in the housing strategy process these two groups were named moderate income and high moderate income. The category, in general, is one where needs have been primarily addressed by the private sector and market forces.

Moderate income residents earn up to \$35,000 for an individual and \$50,000 for a family of three. When converted to Area Median Income (AMI) statistics which are used in regulatory and housing funding programs, the moderate income category are those households making 60% - 80% of the AMI. This particular form of measurement was developed by the federal government and is adjusted annually based on the incomes in the Boulder-Longmont area. Approximately 15% (5,961) of Boulder's households are in this income range.

High moderate income residents earn up to \$50,000 for an individual and \$75,000 for a family of three. The AMI range for the high moderate income household is 80% - 120% of the Area Median Income. Approximately 19% (7,551) of Boulder households are in this income range.

Moderate and high moderate income households have remained about the same percentage of the population in the 1990s - approximately one-third. However, it is clear from the prices of new homes and resales that the purchase of a single-family detached home is increasingly out of reach of this portion of the Boulder community. The choice of housing is constrained not only for moderate income workers, but also for those in the high moderate income category. At this time a family at the high end of the moderate income range could afford a mortgage of approximately \$131,600. A family at the high end of the high moderate income range could afford a mortgage of approximately \$210,000. With the median price for single family detached home at almost \$268,000, the moderate income household is facing a dwindling range of housing choices to either move into Boulder or move-up within the City of Boulder.

Transportation and air quality concerns, as well as the social interest of the community, are served by housing more of this income group close to their jobs. This will become increasingly difficult unless the public and private sectors target some housing programs to these groups.

family homeowners to correct life safety and housing code problems and generally enable the homeowner to remain in their home under decent, safe and sanitary conditions. This program has been especially helpful to seniors and single parents on fixed incomes and has often meant the difference between allowing them to remain in their home or being placed in some form of public or institutionalized housing. The program is designed to act as a revolving loan fund, so that as loans are repaid, those proceeds are used for new loans.

PUBLIC COMMENT

Public comment in small group and community wide forums was diverse. The situation of the moderate income household was felt to be best addressed through regulations and incentives for allowing a greater supply of housing for moderate income people, with some programs involving community subsidy seen as appropriate for moderate income households. One of the dilemmas of this category of Boulder's population is the difficulty in finding an appropriate style of housing to fit the needs and the price range of the household.

There was a general sense that this segment of the population may diminish in Boulder as households make housing choices outside the city limits. This includes families desiring single family detached homes as well as young professional couples who want to start building equity and families. In many cases, there is a reluctance in this income category to accept the restrictions of the permanent affordability covenant in order to become a homeowner in Boulder. The moderate income group encompasses a variety of types of households ranging from singles (young professionals to seniors) to those looking to downsize, to families, to those desiring a more collective living arrangement. Because of this variety, a large number of ideas were generated, but not all the tools that were discussed apply to all segments of the moderate income population.

Low income service workers were defined as those making less than \$35,000 in household income per year. According to the 1997 Boulder Valley Employee Survey there are approximately 20,725 low-wage service workers in Boulder, or 18.6% of the workforce.

Entry level professionals are defined as those making less than \$50,000 in household income per year. According to the 1997 Boulder Valley Employee Survey there are approximately 21,700 entry level professional workers in Boulder, or 18% of the workforce.

It is difficult to account for the number of workers in Boulder who provide a community service. But the sense is that these workers who make the City go and who provide essential emergency and life safety services. This might include firefighters, police, emergency personnel, utility workers, snow plow operators, bus drivers, hospital workers, school teachers, and other government workers of various kinds. Only 30% of government workers reside in Boulder. In addition to issues of having a more economically diverse community, in times of need, those who provide needed services may not even be close.

There is obviously significant overlap between the tools that might be applied to create housing affordable to these classes of Boulder workers and the various tools being looked at for low and moderate income persons. Most people felt that by focussing on the issues of employee housing, we might better identify promising tools. In the recent Boulder County Workforce Characteristics and Opportunities report of the Boulder Economic Council (May 1998), it is reported that 77 percent of Boulder employers surveyed expressed a need for affordable housing within a 10 mile radius of their company.

It is also clear that no matter what Boulder does in the future, it will not be able to house all of Boulder's workers. It is also clear that people choose to live in particular communities for a variety of reasons, many of them unrelated to where they have a job. For many workers, the issue is not just the price of housing, it is the cumulative cost of housing, transportation, child care, and the other costs of life. A 1997 survey determined that of the 46% of Boulder workers that live elsewhere, 41% would like to live in Boulder, 43% don't care to, and 16% are unsure.

This has led to a variety of proposals to improve regional transportation system. If peoples' mobility is enhanced in commuting from outlying communities, this could mitigate the lack of affordable housing in Boulder. Given the reality that low wage service workers are not going to commute long distances for minimum wage jobs, and the goal of economic diversity and the security of having essential workers within the community in times of need, a combined approach makes sense. To deal with the jobs/housing imbalance in Boulder, and in the remainder of Boulder County and the Northwest Denver area, it will take efforts both in enhancing regional mobility and providing options for a diverse array of affordable housing in Boulder.

UNIVERSITY OF COLORADO HOUSING

GOAL

Identify opportunities and strategies to help address the university's needs for housing which might also help achieve other city-wide goals.

BACKGROUND

Student Housing

Approximately one-quarter of the city's population are University of Colorado students. In the fall of 1997, the university's enrollment was 25,100. Approximately 6800 students lived in university housing: 5919 in dormitories, 860 family housing units. Based on the city's citizen survey, we estimate that approximately 16-17,000 students live off-campus in the City of Boulder. The citizen survey shows that 78% of the students living both on- and off-campus in Boulder are renters; 22% are homeowners.

The university has traditionally provided housing for one-quarter to one-third of the student population, and currently houses 27% of the student population. This has come mostly in the form of traditional residence hall arrangements and family housing apartments. The university is considering the construction of new student housing. This would be the first new university housing constructed in more than 25 years, while enrollment has increased by approximately 4000 students in the same time period. In recent years, the university has had demand for 350-400 beds/units that they have not been able to provide.

University enrollment is projected to increase by approximately 1800 students over the next decade, generating additional housing demand in the community. Students compete with others in the community for housing. Therefore, unless additional student housing is constructed, we will lose ground in terms of the availability of existing housing units for other target groups. We can anticipate increased demand for existing units, upward pressure on rent prices, and additional student rentals in neighborhoods.

Increasing the supply of student housing on- or near campus would directly mitigate the traffic impacts and impacts to the existing housing market of increasing enrollment. The construction of housing by CU has multiple benefits including: the provision of additional affordable housing for students, helping more students be part of the community instead of commuting; increasing the availability of the residential campus experience to students, contributing to higher graduation rates, mitigating the housing, traffic and other impacts to the community of increasing enrollment, and providing a more controlled living environment.

ATTACHMENT B

LIST OF STRATEGY GROUP PARTICIPANTS

Cedar Barstow	Charlie Stein
Elizabeth Blandon	Paul Tabolt
Scott Dale	Karen Utley
Archie Demarest	Pat Vanlandingham
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David Norcross	
Julia Perez	
Judy Richtel	
Terry Rogers, Esq.	
Sharon Rouse	
Fred Rubin	
Irene Schaffer	
Ardie Schulster	
August Sirkin	

- Designate university hill as an historic district
- Rent Control

Very Low/Low Income Family Assistance

- provide a tax incentive to landlords who agree to rents below HUD's Fair Market Rents.