

Boulder City Council

Study Session

May 23, 2000

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Housing Implementation and Funding Task Force Report

**City Council Chambers
Municipal Building
1777 Broadway
Boulder, Colorado**

Information:

**Housing and Human Services Department - Division of Housing
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Housing Implementation and Funding Task Force
Report to the City Council
May 11, 2000

A BALANCED HOUSING PLAN

Housing Implementation and Funding Task Force

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Executive Summary

Purpose

This report presents to the City Council the findings and recommendations of the Housing Implementation and Funding Task Force (task force) on the housing goals for the City of Boulder.

The recommendations in this report represent the best current information about supply and demand of affordable housing in today's market. The assumptions undoubtedly will change over time as the economy, market conditions, and demographics change. The recommendations, therefore, should be revisited at least every five years to update goals and monitor progress.

Throughout this report, the term "consensus" reflects the views of ten of the eleven members of the Task Force. One member has significant disagreement with many of the assumptions and recommendations included in the report.

Community-wide Approach

Affordable housing is a city-wide issue which should be addressed by the community as a whole. Each citizen can and should participate in addressing the affordable housing concerns. These issues are best addressed through a comprehensive approach which includes funding, regulatory approaches, and incentive based strategies. The Task Force has identified the four following elements:

- Currently there is annual funding of approximately 3.6 million dollars available from existing local, state and federal sources. These funds are used to obtain approximately 55 to 70 permanently affordable units per year and to rehabilitate hundreds of affordable homes;
- Following the recommendations of the *Comprehensive Housing Strategy*, the Residential Growth Management System has been revised. A new inclusionary zoning ordinance requires 20 percent of all residential developments be permanently affordable. This requirement will result in approximately 800 permanently affordable units over the course of build-out;
- Through land use designation changes in the Boulder Valley Comprehensive Plan, increase opportunities to add to the supply of higher-density housing. In combination with inclusionary zoning, this will yield a significant number of permanently affordable units. There will also be an increase in housing affordable to middle income households that do not qualify for subsidies.
- Maximize affordable housing as a community benefit from annexation; and

finance additional permanently affordable units. Recommended tax options: 1) a head tax of \$3.00 to \$4.00 per employee per month; 2) a sales tax increase of approximately .14 percent; or 3) a combination of an increase in the commercial development excise tax (DET) of \$1 per square foot, and an increase in sales tax of .125 percent.

These recommendations reflect a two- pronged approach to reach the 10 percent housing goal in 10 years: 1) additional public funding and 2) an increase in the supply of affordable housing through land use changes to the Boulder Valley Comprehensive Plan, and subsequent regulatory and incentive-based implementation measures. Both of these approaches should be implemented.

Background

The Boulder City Council identified housing as one of its four goals for 1998-99. As a result of a year-long effort, the City produced three documents: *Understanding Boulder's Housing Issues and Programs*, *A Tool Kit of Housing Options*, and *The Comprehensive Housing Strategy*.

The Comprehensive Housing Strategy was developed through a joint effort of the Planning Group, with City Council members Dan Corson and Lisa Morzel; Planning Board members Thom Krueger and Beth Pommer; Housing Authority Board member Louise Smart; a 30-person citizen strategy group; and staff from the Department of Housing and Human Services and the Planning Department. Development of the strategy included extensive dialogue with Boulder citizens. Accepted by the City Council in January 1999, it includes a variety of options to encourage and increase affordable housing.

Please call 303 441-3157 for copies of these documents.

The Comprehensive Housing Strategy includes recommendations in the areas of regulations, incentive-based changes, additional funding, and marketing. To date, several important recommendations from the *Housing Strategy* have been implemented. The City approved an inclusionary zoning ordinance requiring 20 percent of new residential development to be permanently affordable housing. The residential growth management system (RGMS) has been revised and simplified. It now includes the incentive of exempting residential units in mixed-use projects and in developments with at least 35 percent permanently affordable units. The process for creating accessory dwelling units (ADUs) was simplified.

During 2000, the community will evaluate and clarify the City's annexation policy including "community benefit" and will consider the possible addition of housing units through changes in land use designations in the update to the Boulder Valley Comprehensive Plan (BVCP) and subsequent implementation.

The *Housing Strategy* called for the appointment of a citizen Task Force to review the City's

In light of two important factors affecting housing in Boulder -- escalating housing prices and the strong regional economy -- the Task Force confirms the goal to achieve 10 percent of the housing stock as permanently affordable, and further, that **the community should strive to achieve the 10 percent goal in 10 years or sooner.** The Task Force feels that it is important to establish a goal that is aggressive, balanced and achievable.

Assuming there will be approximately 45,000 units in Boulder at build-out, 10 percent would indicate a need for 4,500 permanently affordable units. There are approximately 1,800 existing units in the city, either permanently affordable or likely to remain affordable (see Attachment C). In order to achieve the 10 percent target, an additional 2,700 affordable units must be secured.

Total projected housing units at build-out	45,000 housing units
10 percent affordable housing goal	4,500
Existing affordable units	<u>1,800</u>
Still needed	2,700

The Task Force recognizes that the 10 percent goal will not fully address the demand for affordable housing, especially in light of job growth projections for Boulder and the surrounding area. Implementing the 10 percent goal in 10 years, however, will be a significant, incremental step to maintaining a degree of economic diversity in the community.

The Housing Priorities

The Task Force worked through various exercises to develop consensus on the distribution of units by: target income group, rental vs. home ownership and new construction vs. existing units. The resulting recommendations are summarized in a matrix (Attachment D). Due to changing market conditions, these numeric targets should be used to provide guidance for production over the next ten years and are not intended to be used as strict annual production goals. The matrix includes the amount of the subsidy needed for each type of unit based on the target income level. These subsidies were calculated through consultation with public and private sector developers and were based on market-rate production costs.

The matrix describes the total number of units needed to reach the 10 percent goal; affordable homes secured through land use requirements and incentives; the amount of public investment required; the amount of existing funding and the funding needed in order to reach the goal.

Target income groups.

Of the proposed 2,700 additional affordable homes, the Task Force recommends that approximately 380 (14 percent) be reserved for households below 30 percent of area median income (\$20,000 for a three person household). These homes would primarily serve elderly or disabled people living on a fixed income and households with one wage earner making \$10 or

units secured in the future will be attached due to the excessive cost of detached homes.

Rental vs. Home Ownership

Recommendation: approximately 61 percent of affordable housing production should serve the rental market and 39 percent should address home ownership needs. Factors that influenced this recommendation:

- Review of the *Housing Needs Assessment* data;
- Greater subsidy required to provide home ownership vs. rental;
- The value of home ownership as mechanism to stabilize/strengthen community and preserve residency of households with children; and
- The value of rental for those not yet ready or interested in ownership.

How do We Reach the Goal?

In order to achieve the goal - securing 10% of Boulder's housing as permanent affordable - the city must embark upon an aggressive, yet balanced, strategy. The foundation of success is current funding and policies. The city must continue and expand partnership efforts with the county, the region and the University of Colorado. Other actions to stimulate the production and preservation of affordable housing through land use and funding initiatives should be pursued.

Current Resources and Programs

Locally controlled funds

- Community Housing Assistance Program (CHAP)
 - Approximately \$1.2 million available annually;
 - Targets households between 30-60 percent of AMI;
 - Must be matched 2:1;
 - Activities: equity grants to purchase or develop housing and rehabilitation to preserve existing affordable homes.
 - Source: local property and housing excise tax
- Cash in Lieu
 - Approximately \$1 million collected from "pipeline" projects; diminishing revenue source in future
 - Targeted to households earning up to 80 percent of AMI;
 - Activity: acquisition of existing housing.
 - New cash-in-lieu - inclusionary zoning alternative to production on-site

- Boulder projects have received approximately \$1.2 million in the last five years from the DOH.

■ Private Activity Bonds :

The state Division of Housing and the Colorado Housing Finance Authority administer approximately \$60 million per year of Private Activity Bonds used for housing. Locally controlled PABs could be leveraged with these resources.

■ Low-Income Housing Tax Credits (LIHTC)

- Federal program designed to encourage private sector investment in affordable housing;
- Provides a credit against regular tax liability for investors in low income developments;
- Administered by the Colorado Housing Finance Authority ;
- Tax credits allocated to Boulder projects in the last seven years include: Woodlands, Sinton Apartments, Parkside, and Foothills. These have yielded about \$6 million in equity.

It is assumed that Boulder will increase leverage of state and federal funding by at least 10 percent over historical levels.

Investment by the Private Sector

Through shared appreciation loans, down payment assistance and equity sharing, private sector investors can play a significant role in affordable housing finance. Employers can also use housing assistance to stabilize their employment base. A pilot project is currently underway with a \$75,000 investment from First Bank. The U.S. Department of Treasury provides incentives to the banking industry to invest in community housing. If the pilot is successful, there is potential to stimulate a much higher level of private sector investment. The Task Force model assumes \$608,000 of investment annually. Such public/private partnerships should be pursued vigorously.

Summary of current funding

Through aggressive pursuit of available funding sources, it is anticipated that the city can access approximately \$3.6 million annually in local, federal and state equity investment in housing.

Inclusionary Zoning and the Residential Growth Management System

One of the most significant recent regulatory changes affecting affordable housing is the inclusionary zoning ordinance which will result in permanent affordability for 20 percent of new housing built in Area 1 of Boulder. This will be accomplished without cash subsidy from local

should be available and affordable if they choose to live in Boulder.

Most of the mixed use housing units anticipated to be developed as a result of the land use changes in the BVCP Update will be attached units such as townhouses or condominium units. Due to their size, type, and location, it is likely that these homes would be affordable to middle-income families. Recent revisions to the residential growth management system provide a key incentive to encourage mixed-use units by creating exemptions from the allocation system.

The Housing Task Force discussed other affordable housing solutions recommended in *The Comprehensive Housing Strategy*. Accessory units, although not permanently affordable, represent a housing alternative that provides homeowners with additional buying power and renters with housing alternatives dispersed within existing neighborhoods. These could be subject to size limits and other performance criteria in order to mitigate impacts. Increased production of accessory units is an issue that is being discussed by the community as part of the BVCP update.

Annexation Policy

Another recommendation of *The Comprehensive Housing Strategy* was to review the annexation policy to define affordable housing as the highest priority community benefit. Under the current Boulder Valley Comprehensive Plan, there is potential for development of approximately 1,260 homes in Area II. Several Area II sites are being reviewed as part of the BVCP update. Of the 3,000 potential additional units, approximately 400 are in Area II. Environmental impacts are being analyzed as part of the update process. The Task Force recommends that, where there is a request to annex land for future residential development, at least 40 percent permanently affordable housing be required. We support increased density for the majority of this new residential development.

Minimum Density

The Task Force discussed the concept of minimum density, requiring new residential development to be built at the density of the zoning district and not at a lower density. In general, the Task Force agreed that city staff should explore further the concept of minimum density to the extent that it enhances affordable housing in Boulder.

Scrape-offs and Large Additions

The Task Force discussed the pros and cons of taxing and regulating demolitions and additions to existing housing units, but did not reach a consensus. They are sympathetic to the loss of the existing relatively affordable housing stock, and possible loss of community character, but recognize that homeowners who cannot afford to “move up” and want to stay in Boulder, are left with adding on to their current homes as their only solution to accommodate their growing family needs. The survey conducted as part of the Boulder Valley Comprehensive Plan update indicates

Other taxes considered by the Task Force include:

- **Employee/Employer Head Tax:** to raise an additional \$3.3 million in revenue, \$36 to \$48 per employee per year would be needed, to be paid by the employer, the employee, or a combination. Issues:
 - A strong connection exists between employment and need for housing.
 - The City of Boulder currently does not assess an employee head tax.
 - A vote would be required to levy this as a tax;
 - Revenue is stable and predictable. May increase over time as employment base increases;
 - The tax is a flat rate despite the income/type of job held by the employee
 - If the tax is excessive, the city's economy could be harmed;
 - Revenue may be generated from Federal and State employees; revenue could be generated from non-resident employees;
- **General Sales Tax:** the current City sales tax rate is 3.26 percent. The total revenue for 1999 was \$76 million, up 10.37 percent over last year's revenues.. To raise \$3.3 million, the City's sales tax rate would need to be increased to 3.40 percent, an increase of .14 percent. Issues:
 - A vote would be required.
 - The State legislature has approved a sales tax reduction of .1% beginning in 2001. This could partially relieve the burden of increased local sales tax.
 - It may be difficult to establish a link between the need for affordable housing and taxable sales, in order to gain public acceptance.
 - An increase in sales tax will limit the city's future flexibility to increase this tax for other purposes.
 - An increase in sales tax may change regional shopping patterns.
 - The tax rebate program in place for low-income persons would reduce the impact to those households.
- **Housing Excise Tax on Commercial Development:** currently the rate is \$.34 per square foot for commercial development. This excise tax rate would generate approximately \$350,000 annually if increased by \$1 per square foot. Issues:
 - The excise tax could be blended with other revenue sources.
 - There is a logical connection between job growth and need for housing.

The three options recommended by the Task Force are:

1. A head tax alone - \$3 - \$4 per month per employee
2. A sales tax alone - .14 percent

Implementation of this entire set of recommendations will significantly advance progress toward the goal to secure 10 percent of Boulder's housing inventory as permanently affordable. Affordable housing is a challenge to the entire community and the solutions require broad participation. This comprehensive and pro-active plan will accelerate the rate of preservation/production of affordable housing by a factor of 80 percent. Lack of action on these recommendations will add several decades and many millions of dollars to the cost of achieving the housing goal.

Boulder is a highly educated and caring community that has worked hard in recent decades to balance community values: environment, economy, open space, housing and transportation. This proposal continues the tradition of balance.

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Attachment A

Area Median Income Chart

Boulder - Longmont AMI March 9, 2000							
	1 Person		2 Person		3 Person		4 Person
120%	\$62,160		\$71,040		\$79,920		\$88,800
Median	\$51,800		\$59,200		\$66,600		74,000
80%	\$41,440		\$47,360		\$53,280		\$59,200
60%	\$31,080		\$35,520		\$39,960		\$44,400
30%	\$15,550		\$17,750		\$20,000		\$22,000
	5 Person		6 Person		7 Person		8 Person
120%	\$95,880		\$102,960		\$110,160		\$117,240
Median	\$79,900		\$85,800		\$91,800		\$97,700
80%	\$63,920		\$68,640		\$73,440		\$78,160
60%	\$47,940		\$51,480		\$55,080		\$58,620
30%	\$24,000		\$25,750		\$27,550		\$29,300

Attachment B

Executive Summary

Housing Needs Assessment

Jobs/Housing Balance

It appears that the City's population has been holding relatively steady while jobs have been increasing. According to City estimates, the population within Area I increased .82% between 1995 and 1999 at a rate of less than 1% per year. This coincides with growth in housing units; since 1995, the number of housing units has increased an average of .625% per year, which is a lower growth rate than allowed. While job growth slowed in 1994, approximately 1,880 wage and salary jobs subject to unemployment insurance have been created each year since 1994, an increase of about 2% per year (the rate of growth averaged roughly 3.5% for 1988 – 1998 decade). During this same period, the housing inventory has increased by an average of 227 housing units, which equates to one unit for every additional 8.28 wage and salary employees. Note: Sole proprietors and exempt personnel have not been included in this calculation.

It is estimated that 103,920 persons work in Boulder, including those who work in their homes. Just over 50% of the estimated 95,960 persons who work in commercial/industrial space live in Boulder. On a net basis, 22,660 more persons commute into Boulder for work than commute out to jobs in other communities. It appears that about one-third of the community's "essential" workers live in Boulder.

The Planning Department estimates that employment will increase by over 27,000 jobs at full build out. This contrasts with the potential to build 4,974 additional housing units, or one unit for every 5.43 additional employees.

Many commuters will move to Boulder even if single-family homes are not available at prices competitive with other communities in the region. Approximately 29% would rent upon moving and less than half indicated they would move into single-family homes. It is estimated that commuters could generate demand for approximately 15,170 housing units based on employees who plan to move to Boulder or might depending upon circumstances.

Housing Inventory

It is estimated that Boulder has 45,770 housing units, of which 40,108 are in Area I. Approximately one-third have three bedrooms. Nearly 40% of the units occupied by student households are single-family homes.

There are 884 permanently affordable housing units in Boulder, which equates to 2.2% of the 40,108 units within City limits. In addition, there are 1,033 units that are affordable today but that might not be affordable in the future. Combined, these units comprise 4.78% of Boulder's Area I housing inventory. An additional 334 permanently affordable units are under construction or planned.

Housing Costs

Rents average \$650 for a one-bedroom unit, \$875 for a two-bedroom unit and \$1,200 for three bedrooms. Approximately 49% of the one-bedroom units and about 40% of all other rental units are priced within the fair market rent limits set by HUD for the Section 8 program. Rents in Boulder are generally consistent with those in Longmont, lower than

- 3,000 jobs in Boulder were unfilled as of September 1999 and 840 persons lost jobs or could not accept positions directly because of housing.
- All but 3% of employers feel that housing is a problem for employees in Boulder; 22% consider it to be a major problem.
- Traffic is the most major problem in neighborhoods.

Lower Income Households

It is estimated that approximately 57% of Boulder's households are targeted by one or more of the programs contained within the Comprehensive Housing Strategy. This equates to an estimated 24,630 households including those in the middle income category based on 1999 population estimates. Approximately 14,120 households are in the very low, low and moderate income ranges. Of these, roughly 8,235 spend more than 30% of their income on housing and 1,800 are student-only households. Specifically, it is estimated that:

- 2,215 households are within the very low income category and, of these, 77% are cost burdened by their housing payment and 638 are student-only households;
- 5,780 households have incomes in the low income range of which 63% are cost burdened and 809 are student-only households;
- 6,125 moderate income households live in Boulder of which 34% spend more than 30% of their income on housing and 355 are student-only households; and,
- 10,512 households have incomes in the middle income range; of these, 10% are cost burdened and 294 are student-only households.

While lower-income households have not been excluded from homeownership opportunities in Boulder, they have not been able to purchase housing in Boulder in the same proportion that they exist in the population. Approximately 17% of the households that have purchased homes during the past five years have been in the very low-, low- and moderate-income categories whereas 32.5% of the household population falls within these categories.

Special Populations

- Households with a disabled person tend to have very low incomes; 42% earn less than 80% of the area median income (AMI). The disabled constitute the highest number of those served by all agencies. Among the disabled, roughly one-third are chronically mentally ill, one-third are developmentally disabled and one-third are physically disabled.
- 57% of those assisted by agencies that offer both housing and support services have incomes less than 30% of the AMI, which compares to approximately 22% of those served by agencies that offer only housing.

Opportunities and Solutions

Homeownership

About 12,200 renter households (54% of the total) would like to purchase homes; the most frequently cited reason for not purchasing yet was the overall high cost of housing followed by inability to afford down payments. The median amount that renters have available for down payments is \$10,000. This suggests that a down payment or equity sharing program would need to be structured so that the overall purchase cost and monthly payment in comparison to income level is addressed.

It is estimated that 3,336 households that already own (16% of all homeowners) want to purchase a different home most frequently citing the desire to buy a larger home as the reason.

Of the renters who want to buy and the owners that want to buy a different home, about one-third have annual incomes of \$40,000 or less and could only afford units priced under \$130,000 assuming 10% down and an interest rate of 8%. Another 26% could afford to purchase homes in the \$130,000 to \$194,000 range.

Development Trends

Nearly three-fourths of Boulder's households feel that there is too little affordable housing in the community and the same percentage (74%) feel that the size and price of new homes being built is "too much". Opinions are more divided on other issues including density, additions/remodels, amount of housing provided by CU for students, and the overall amount of housing being built. Approximately one-third feel that too much housing is being built in Boulder while about 20% feel that too little housing is being built.

Priorities for City Housing Programs

Very low income persons, essential workers (defined as fire/safety personnel, hospital employees, utility workers), and single parents tied for first priority.

Strategies

Of five options presented, working with neighboring communities to develop regional solutions to housing problems received the highest rating. Survey respondents generally agreed that the City should offer incentives to build more affordable housing, that developers should be required to build smaller, less expensive housing, and that the City should place restrictions on the resale of low-cost housing.

Having employers provide housing ranked the lowest of the options presented. This finding, combined with reluctance by employers to consider the provision of various types of housing benefits to employees, suggests that employer involvement in housing will be limited in the near future.

are considered. It should be noted that the percentage who would prefer mobile homes is the same as the percentage of mobile homes in the housing inventory.

Among the many amenities survey participants were asked to rank, in-unit washer/dryer hook ups, extra storage and energy efficiency/gas heat were the top three. Among neighborhood features, decks/patios/porches received a higher rating than private yards. Being close to open space and parks rated higher than being close to work.

Attachment C

AFFORDABLE HOUSING INVENTORY

Public Housing Projects	Owner/Rental	Total	Afford Today	P.A.	PA Units	
Arapahoe	Rental	14		14	Section 8 PB	1026
Broadway	Rental	46		46	In Development	116
Diagonal Court	Rental	30		30	Likely to be afford	295
Iris/Hawthorne	Rental	14		14		201
Kalmia	Rental	54		54		1638
Madison	Rental	34		34	Beds	162
Manhattan	Rental	44		44		1800
Northport	Rental	50		50		
Walnut Place	Rental	95		95		
Canyon Pointe(PB)	Elderly	82	82			
Glen Willow(PB)	Elderly	34	34			
Section 8 Project Based	Rental	182	182			
Section 8 Tenant Based(1)	Rental	511	511		(San Juan/Alvarado)	
Boulder Mobile Manor	Owner/rental	66		66		
Midtown	Rental	13		10	<u>Likely to be Aff</u>	
BHA Condos	Rental	7	5	2	Sage	7
Eden East				3	Pres	81
O'Neal Pkwy				1	GW	78
3640 Broadway				12	North Haven	9
Dakota Ridge				13	Footfills	22
Woodlands	Rental	35		35	Chinook	4
Poplar	Home ownership	14		14		201
101 Pearl	Rental	5	5			
Bridgewalk	Rental	98		25		
Bluff Street	Rental	2	2		<u>PB</u>	
Cornell House	Rental	1	1		Canyon Pointe	82
Sage Court	Rental	19	7	12	Glen Willow	34
Parkside	Rental	34		30		116
Valmont Square	Rental	36		36		
2875 18th				3		
Spruce Street	Rental	4		4		
Laguna	Rental	8		8		
Buena Vista	Homeownership	57		49		
Sandoe I & II	Rental	24		7		
Carmel Mobile Homes	Rental	2		2		
Presbyterian Manor(1)	Rental	81	81			
Golden West Manor(1)	Rental	78	78			
Boulder Meadows	Rental	3		3		
Chinook Clubhouse	Rental	8	4	4		
Anam Chara	Rental	8		4		
First Home	Homeownership			17		
Shared Appreciation/H20				16		
Mapleton Mobile Homes	Ownership	136		136		
Habitat for Humanity	Homeownership			16		
Married Student Housing	Rental	856	856			

Attachment D

Task Force Housing Matrix

The following tables reflect the process undertaken by the Housing Implementation and Funding Task Force: establishment of a numeric housing goal; determination of progress to date; identification of current resources and mechanisms to secure affordable housing; and recommendations of additional actions to achieve the goal. A simplified Power Point presentation will be made at the study session on May 23rd in order to clarify these issues.

Table 1: Existing Affordable units

Task Force consensus: secure 4,500 affordable housing units for the community. Currently, there are approximately 1,800 units that are permanently affordable or likely to remain affordable in the city. Table 1 provides a summary of these affordable units.

Table 1 Housing Type	<30% of AMI	30-60% of AMI	60-80% of AMI	Total
Rental Housing: Existing	1176	435	49	1660
Homeownership: Existing	20	28	92	140
Totals	1196	463	141	1800

Table 2: Total Number of units needed

Table 2 provides a summary of the total number of housing units (2,700) still needed to achieve the 10% housing goal. The units are distributed based on income and housing type. Factors that influenced the goal and the distribution include: an evaluation of demand as indicated in the *Housing Needs Assessment*, the current inventory, the high cost of producing housing that serves households below 30% of the AMI and significant production, through Inclusionary Zoning and annexation, of housing for 60-80% AMI households.

Table 2 Housing Type	<30% of AMI		30-60% of AMI		60-80% of AMI		Total	
Rental Housing: Acquisition of Existing	160	6%	510	19%	160	6%	830	31%
Rental Housing: New Construction	160	6%	510	19%	140	5%	810	30%
Homeownership: Acquisition of Existing	30	1%	110	4%	270	10%	410	15%
Homeownership: New Construction	0	0	110	4%	270	10%	380	14%
Homeownership: Existing, Shared Appreciation - Recycled Funds	30	1%	50	2%	190	7%	270	10%
Totals	380	14%	1290	48%	1030	38%	2700	100%

Table 5: Impact of Land Use Changes and Annexation Policy

Over the course of build out, changes in the Boulder Valley Comprehensive Plan could potentially produce 520 additional permanently affordable units. An additional 250 permanently affordable units could be secured through the community benefit requirement at the time of annexation. Table 5 summarizes the number of affordable units still needed after **subtracting** 770 units secured through BVCP and annexation policy changes.

Table 5 Housing Type	<30% of AMI	30-60% of AMI	60-80% of AMI	Total
Rental Housing: Existing	60	230	0	290
Rental Housing: New Construction	60	50	0	110
Homeownership: Existing	10	0	0	10
Homeownership: New Construction	0	90	0	90
Homeownership: Existing, Shared Appreciation -Recycled Funds	0	0	0	0
Totals	130	370	0	500

Table 6: Public Investment per Unit to achieve Permanent Affordability

Table 6 provides the amount of public investment needed for each type of housing unit based on the target income level. These subsidies were calculated through consultation with public and private sector developers and were based on market-rate production costs.

Table 6 Housing Type	<30% of AMI	30-60% of AMI	60-80% of AMI
Rental Housing: Existing	\$97,125	\$51,777	\$29,885
Rental Housing: New Construction	\$99,900	\$53,925	\$32,660
Homeownership: Existing	\$135,500	\$71,252	\$34,527
Homeownership: New Construction	\$131,000	\$64,852	\$26,227
Homeownership: Existing, Shared Appreciation -Recycled Funds	\$65,500	\$32,426	\$13,114

Table 7: Remaining Financing Needed

Table 7 summarizes the total cost to produce the remaining affordable units needed to achieve the 10% housing goal.

Table 7 Housing Type	<30% of AMI	30-60% of AMI	60-80% of AMI	Total
Rental Housing: Existing	\$5,827,500	\$11,908,710	\$0	\$17,736,210
Rental Housing: New Construction	\$5,994,000	\$2,696,250	\$0	\$8,690,250
Homeownership: Existing	\$1,355,000	\$0	\$0	\$1,355,000
Homeownership: New Construction	\$0	\$5,836,680	\$0	\$5,836,680
Homeownership: Shared Appreciation Recycled Funds	\$0	\$0	\$0	\$0
Total amount of subsidy needed	\$13,176,500	\$20,441,670	\$0	\$33,618,140

ATTACHMENT E

ANALYSIS OF VARIOUS ALTERNATIVE REVENUE SOURCE OPTIONS

Available upon request:
Housing & Human Services Department
303-441-3157