



City of Boulder Affordable Housing

Presentation For:
Planning Board
City of Boulder

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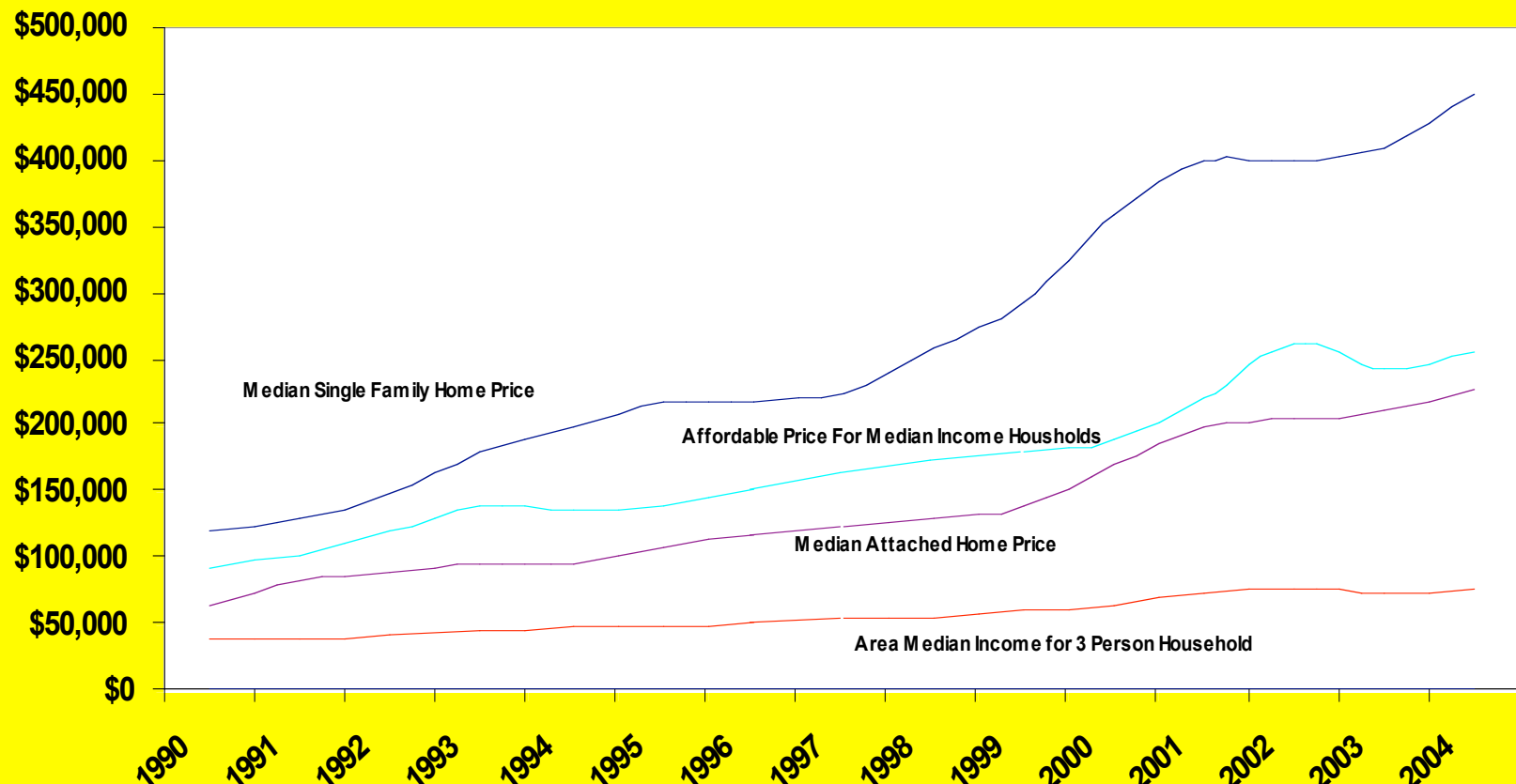
June, 2006

Gap Between Incomes and Affordable Housing

- Boulder Area Low Income Limit = \$53,650
(2006, 69% of AMI, 3 person household)
- For that Income, Affordable Home Price = \$160,000
- Median Home Prices
 - \$505,000 (Detached)
 - \$242,000 (Attached)

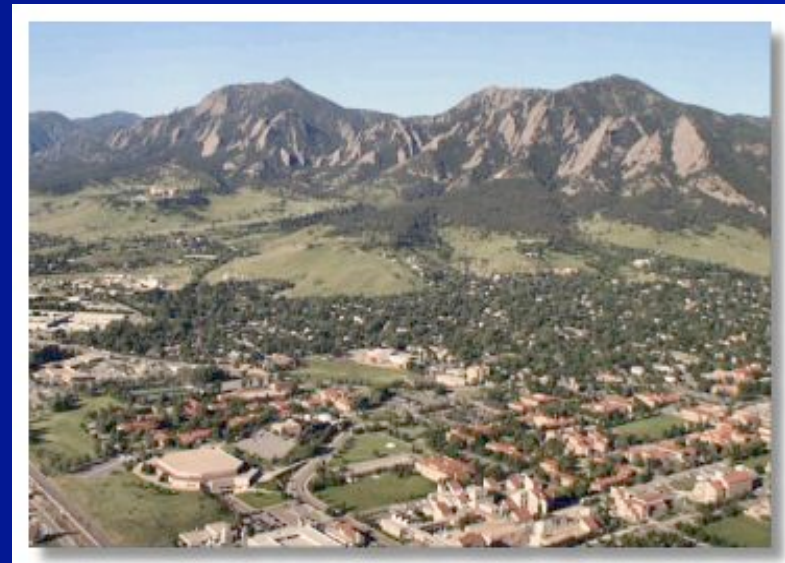
Rising Home Prices Outpace Income Growth

1990 - 2004 Median Income and Median Home Prices



Key Factors Driving Housing Prices

- Limited Land
- University Community
- Employment Center
- Attractive, Desirable Community
- Growth Limitations



Who Struggles to Live in Boulder?

- Service and Retail Workers
- Teachers
- Health Care Professionals
- Entry and Mid-Level Managers and Professionals
- Child Care Providers
- Seniors
- People with Disabilities
- Families
- Boulder's Workforce

Community Benefits of Affordable Housing

■ Social

- Assists people in need**
- Preserves economic diversity**
- Allows people to live where they work**

■ Economic

- Stabilizes employment base**
- Provides workforce housing**

■ Environmental

- Preserves urban growth boundaries**
- Reduces commuting, pollution**
- Preserves compact community**

■ Cultural

- Maintains community character**
- Preserves diversity**

Permanent Affordability

- On-going resale restriction
- Designed to keep inventory affordable in perpetuity for low-moderate income households
- Affordable: ~30% of income for housing
- Deed restricted—covenant tied to property

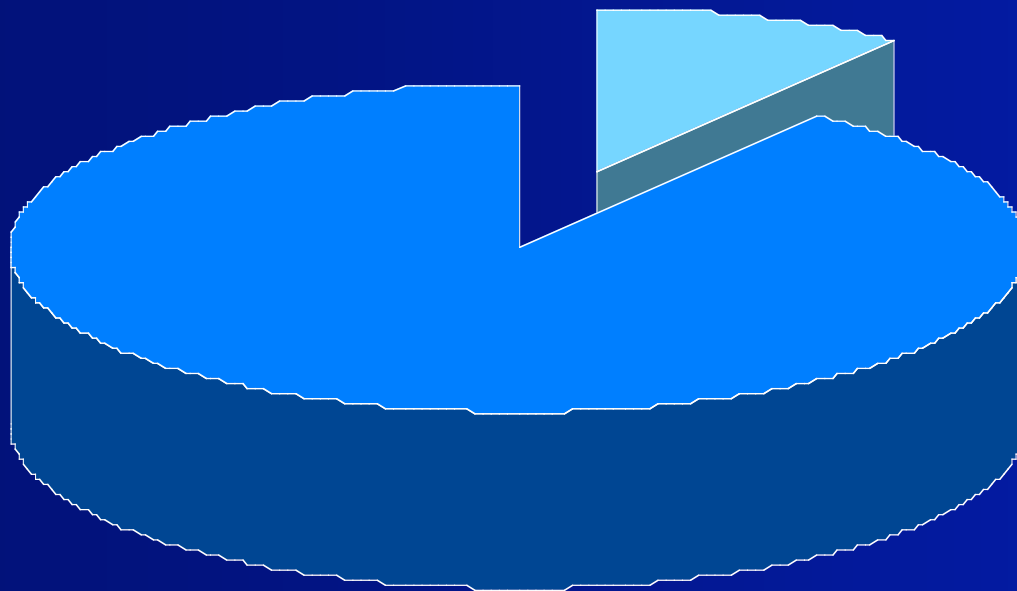
Home Prices (example)

1000 SF, 2 bedroom, 1.5 bath

- Attached: \$141,900
- Detached: \$153,400

Affordable Housing Goal: 10% Permanently Affordable

Affordable
Housing 10% Goal
=
4,500 Homes



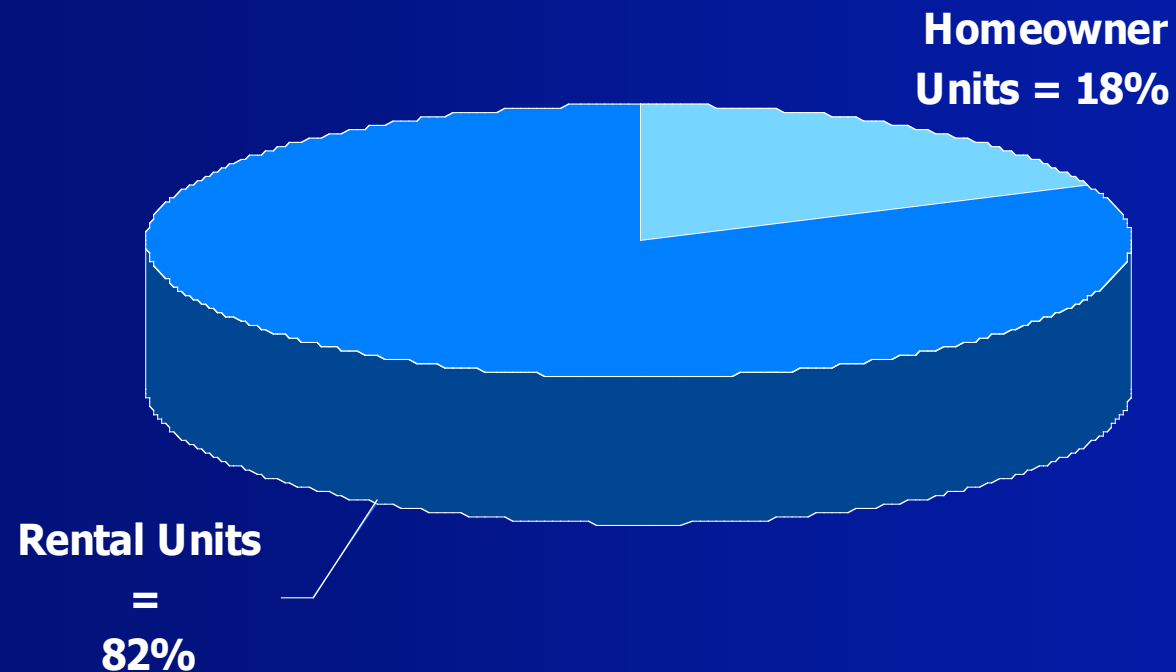
Market Rate Units
To Build Out =
45,000 Homes

Guidelines for Affordable Housing Production

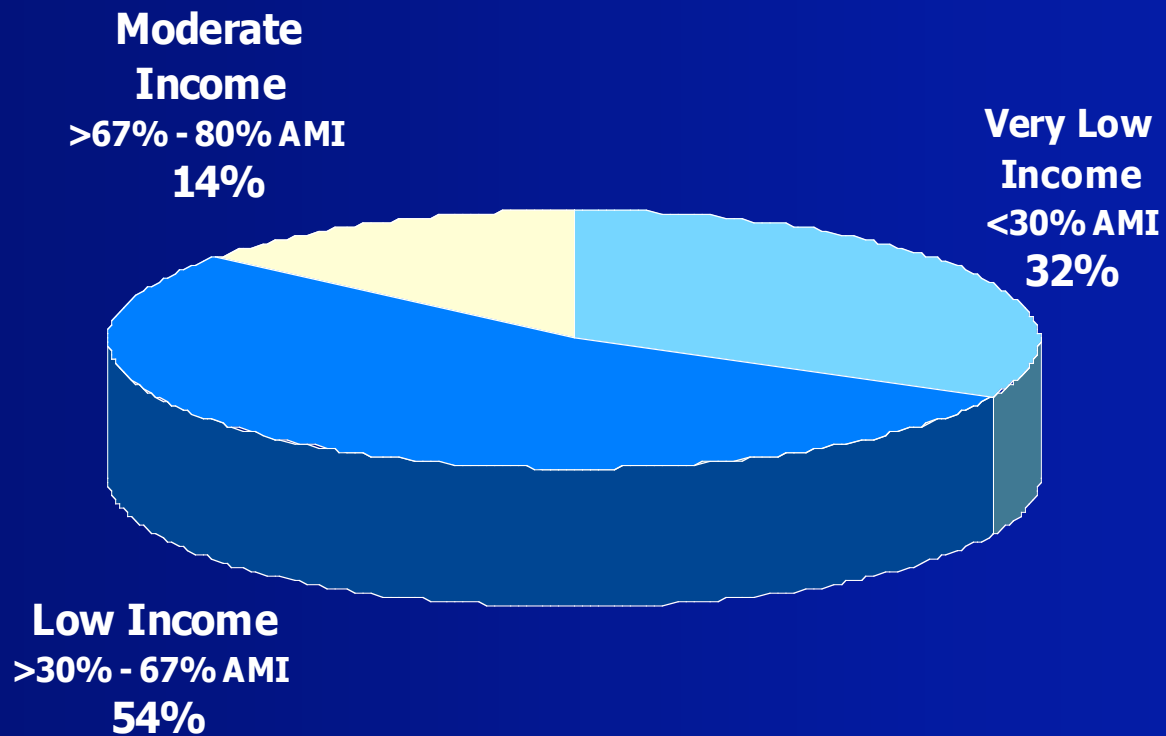
- Mix of Rental and Homeownership
- Mix of New Construction & Existing Inventory
- Distributed Among Very Low, Low, and Moderate Income Households



2,700 Permanently Affordable Housing Units



Range of Incomes Served

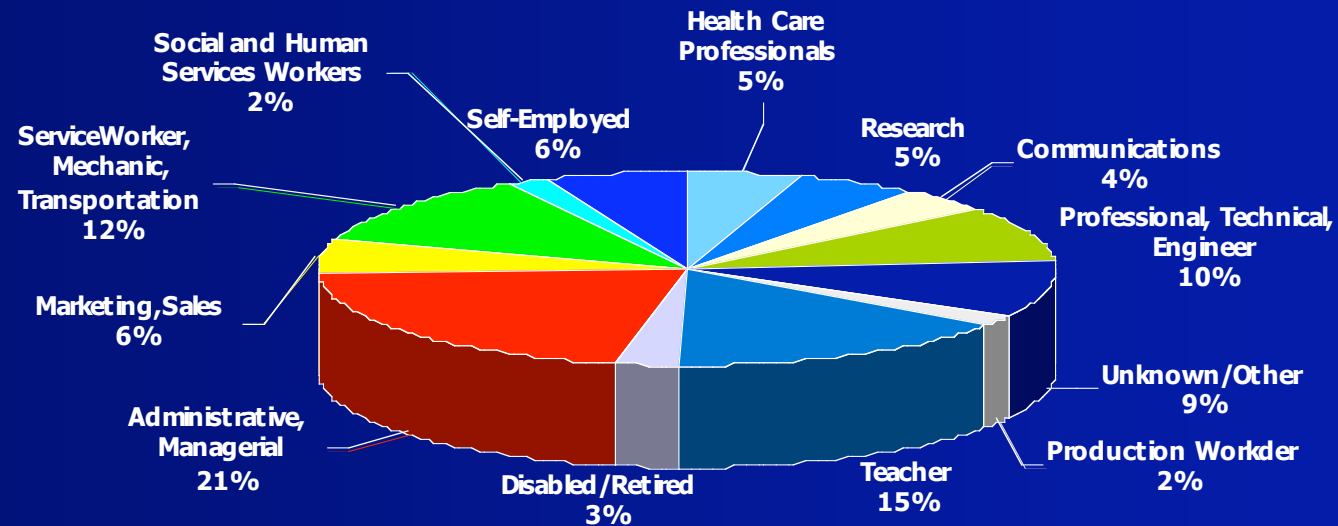


Incomes of Households Served

(Based On Year 2006 HUD Area Median Income for 1 - 3 Person Household)

Very, Very Low	Under \$30,000
Very Low	\$30,000 - \$39,000
Low	\$42,000 - \$53,000
Moderate	\$47,000 - \$62,000
Middle	\$60,000 - \$78,000 +

Buyers of Permanently Affordable Homes Come From All Walks of Life



Based on a sample of buyers of affordable homes (does not include renters)

Affordable Homeownership Market

Buyers

- 100+ Income Eligible Buyers
- 15 – 20 Units Available



Home Sales

■ New Construction

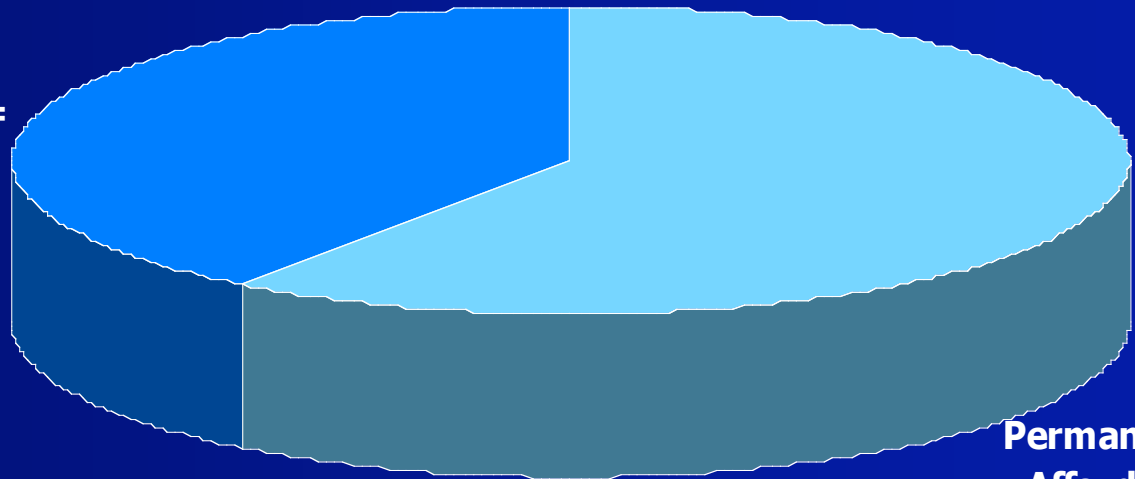
- 125 sold since 1/2004
- 6 unsold at CO

■ Resales

- 62 sold since 1/2004
- 70+/-% sell immediately
- 85+/-% sell within 60 days

Progress Toward 10% Permanently Affordable Housing Goal

**Additional
Affordable
Homes Needed
to Reach Goal =
1800**

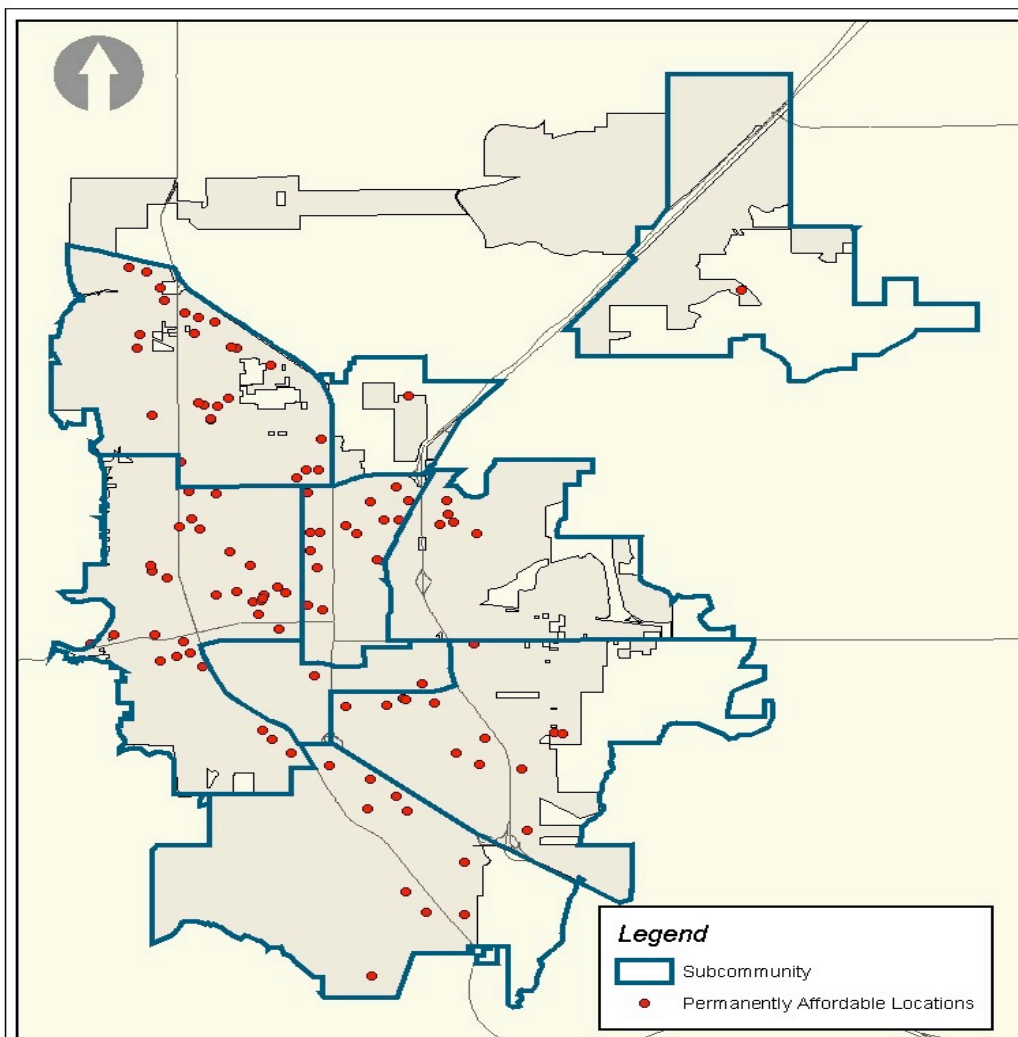


**Permanently
Affordable
Homes =
2700**

6% of Housing Stock Permanently Affordable

*Includes about 200+ beds in group living arrangements counted as single person household

Where are the Permanently Affordable Homes?



Permanently Affordable Development Locations

City of Boulder



Inclusionary Zoning: One Strategy to Address Housing Affordability



- Passed by Planning Board City Council, effective early 2000
- Requires new residential to contribute 20% to permanently affordable housing

Inclusionary Zoning

Basic Requirements

- 20% of new residential development must be permanently affordable to income eligible households
- Half of the 20% must be on-site (for ownership units)—general preference for on-site units whenever possible
- Rental projects may provide all off-site (state law prohibits rent control for private, for-profit developers)
- Size: 80% of SF of market rate units, up to 1200 SF

Additional Requirements...

- Covenants & Deed of Trust
- Unit Types and Distribution
- Construction Timing—In tandem with Market Rate Units
- Owner Occupied
- Good Faith Marketing and Fair Housing

Off-Site Options

- **Contribute cash-in-lieu** (per required affordable unit, adjusted annually, year 2006)
 - Detached: \$113,367
 - Attached: \$101,747
- **Dedicate comparable off-site units**
- **Dedicate land**
- **Potential to do all affordable units off-site if significant additional community benefit provided**

Income Eligibility and Sales Price Requirements

- **Income Eligibility** (Based on HUD low income limit)
 - HUD +10% for homeownership
 - HUD -10% for rental
- **Initial Sales Price Restriction**
- **Resale Price Restrictions**
 - Original Sales Price + Maximum Annual Appreciation (CPI or AMI, maximum of 3.5% per year)
 - Price also adjusted for allowable capital improvements, excessive damage, and real estate transaction costs

Additional Strategies to Reach Housing Goal

- Funding: Federal, State, Local, Cash-in-Lieu
- Regulatory Incentives
- Land Use Changes
- Fee Waivers and Subsidies
- Public/Private Partnership