



# City of Boulder

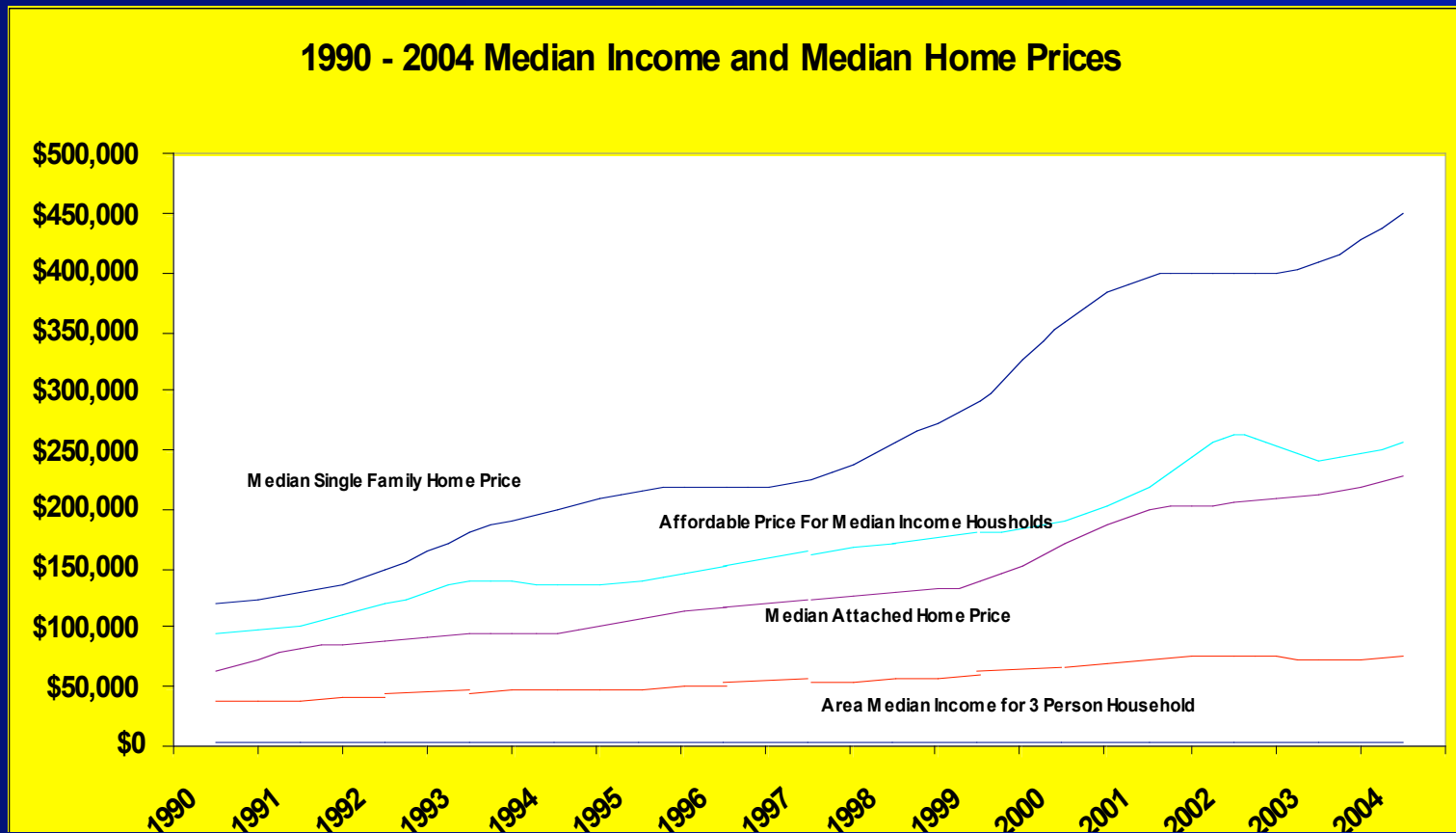
Affordable Housing Program

April, 2005

# Rising Housing Prices Outpace Income Growth

- Boulder Area Low Income Limit = \$52,000 (3 person household, 2005)
- Affordable Home Price (for above household size/income) = \$163,000
- Median Home Prices
  - \$202,000 (Attached)
  - \$410,000 (Detached)

# Home Prices Outpace Income Growth



# Key Factors Driving Housing Prices

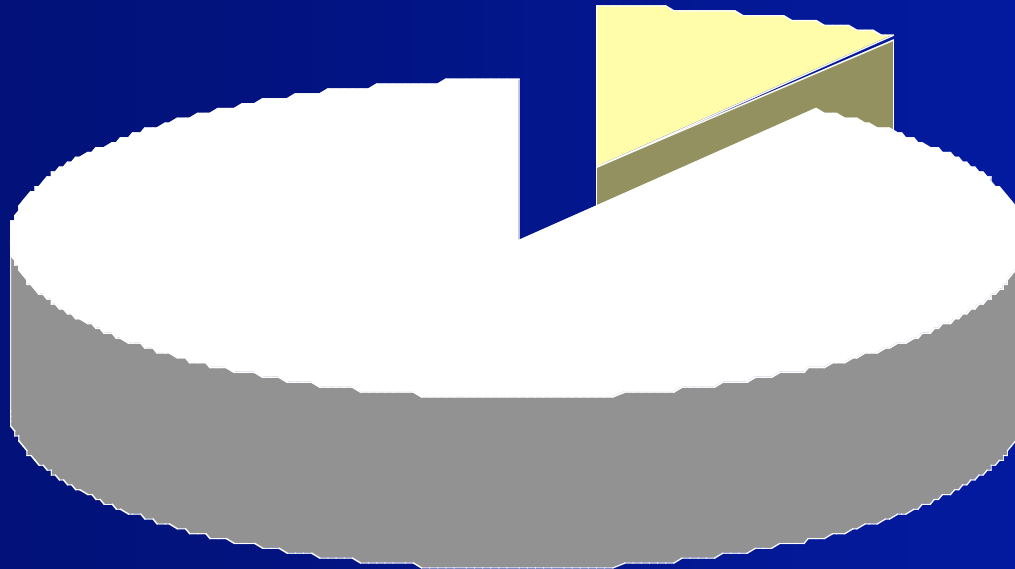
- Limited Land
- University Community
- Strong Economy
- Attractive, Desirable Community
- Open Space

# Who Struggles To Live In Boulder?

- Service and Retail Workers
- Teachers
- Entry Level Managers & Professionals
- Health Care Professionals
- Child Care Providers
- Seniors

# Affordable Housing Goal: 10% Permanently Affordable

Affordable Housing  
10% Goal = 4500  
units



Market Rate Units To  
Build Out

# Strategies To Reach Housing Goal

- Funding: Federal, State, Local
- Regulatory Incentives
- Land Use Changes
- Excise Tax and Fee Waivers
- Homebuyer, Realtor, Lender  
Training & Technical Assistance
- Public - Private Partnerships
- Inclusionary Zoning: 20% Permanently  
Affordable

# Inclusionary Zoning

- Passed by City Council early 2000
- Requires new residential development contribute to affordable housing
- Replaced affordable housing element in Residential Growth Management System (RGMS)
- One tool to address community's affordable housing needs

# Basic Requirements

- 20% of new residential development must be permanently affordable to income eligible households
- Half of the 20% must be provided on-site if homeownership
- Options for off-site include:
  - Dedicate off-site unit(s)
  - Dedicate land
  - Contribute cash-in-lieu
- Size Requirements
- Sales Price Restrictions (initial and resale)
- Income Eligible Households
- Secured by Covenants

# Example

- 100 unit development
- 20% Inclusionary zoning obligation = 20 permanently affordable units
- 10 units provided on-site
- 10 cash-in-lieu
- \$96,410 per attached permanently affordable unit not built
- $10 \times \$96,410 = \$964,100$

# Units Produced Since Inclusionary Zoning Became Effective in 2000

- Approximately 180 on-site units produced
- Approximately \$2.9 million collected in cash-in-lieu
- Cash-in-lieu used to subsidize approximately 100 units (assuming average subsidy of \$30,000 per unit)

# Additional Incentives

- Projects providing more than 20% permanently affordable or projects making units affordable to lower incomes may be eligible to apply for housing subsidy funds
- Permanently affordable units are exempt from the housing excise tax
- Affordable housing considered a high priority community benefit
- Density increases more favorably considered when affordable units included in development
- Certain fee and permit waivers available

# Community Benefits of Affordable Housing

- **Social**
  - Assists people in need
  - Preserves economic diversity
  - Allows people to live where they work
- **Economic**
  - Stabilizes employment base
- **Environmental**
  - Reduces commuting
  - Preserves compact community
- **Cultural**
  - Maintains community character
  - Preserves diversity