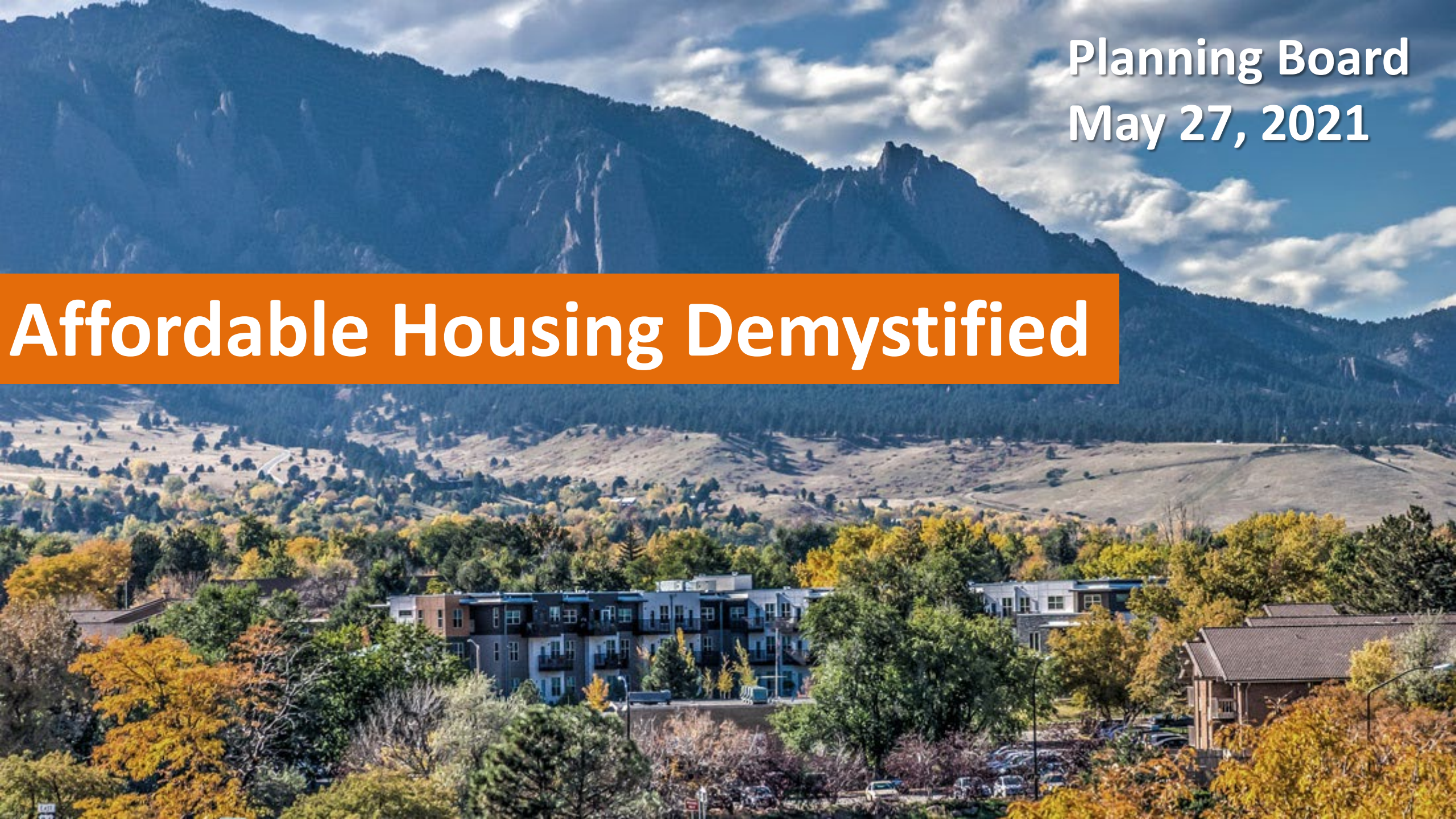


Planning Board
May 27, 2021

Affordable Housing Demystified





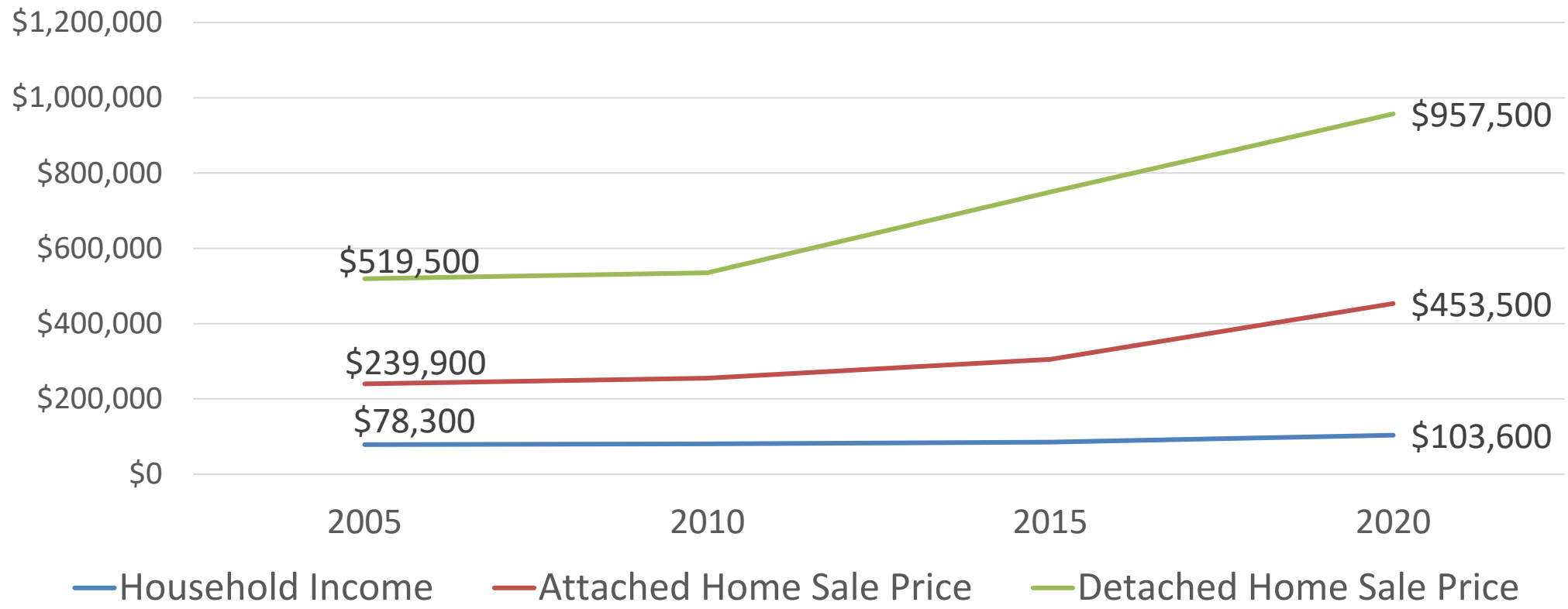
Affordable Housing

- **Highlight trends and successes**
- **City's role**
- **Boulder Housing Partners role in development and financing**
(Laura Sheinbaum & Ian Swallow)



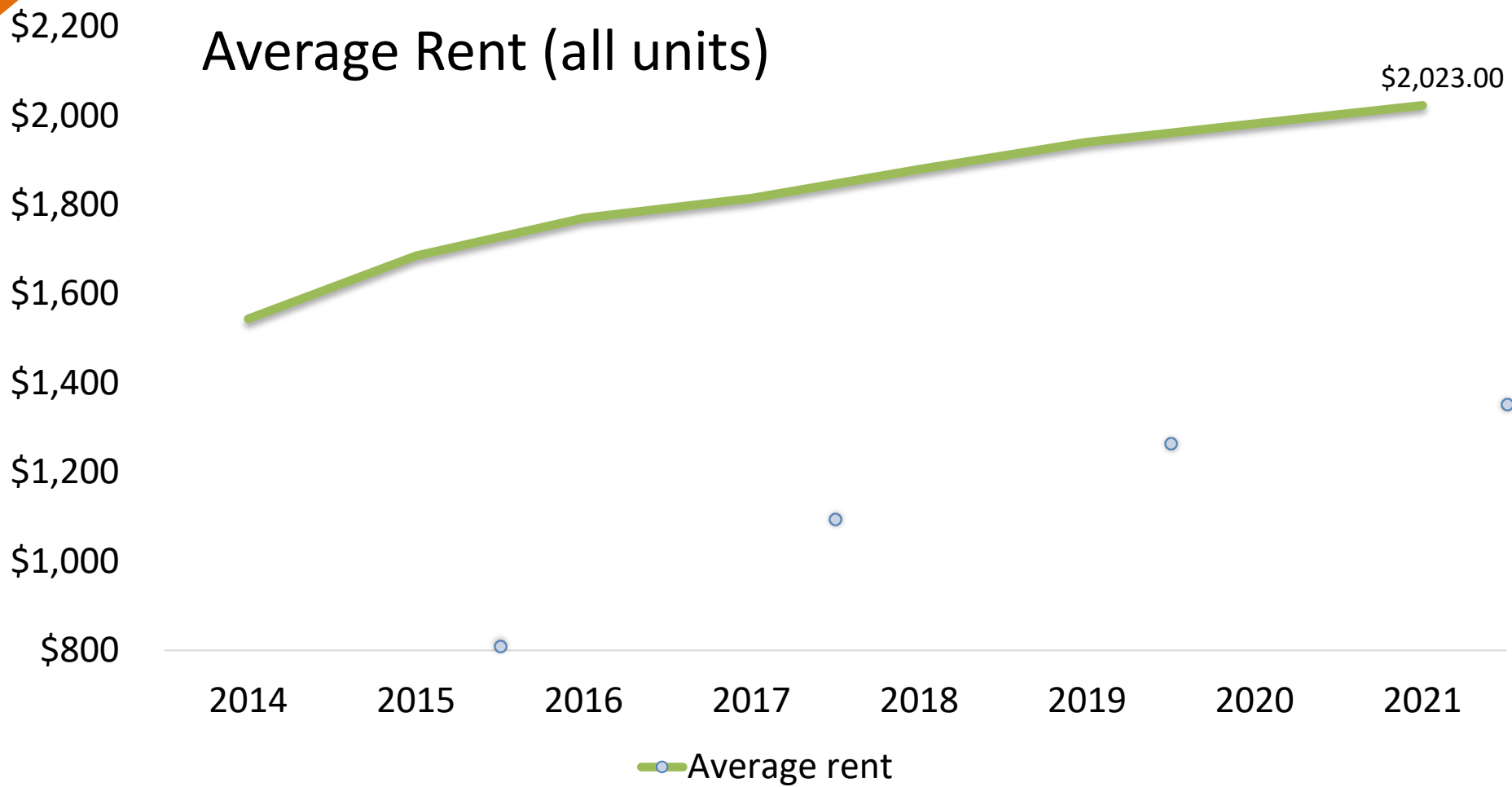
Boulder's Housing Challenges

Median Housing Costs & Area Median Income





Boulder's Housing Challenges



Source: Zillow Observed Rent Index (ZORI)



Definitions

Affordable Housing

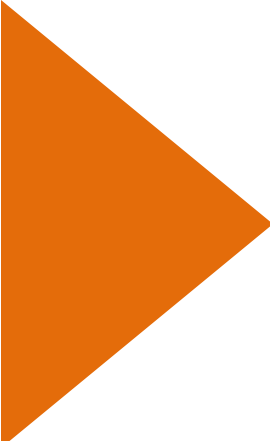
- Households pay no more than 30% of income on housing

Permanently Affordable Housing

- Deed restriction for permanent affordability

Area Median Income (AMI)

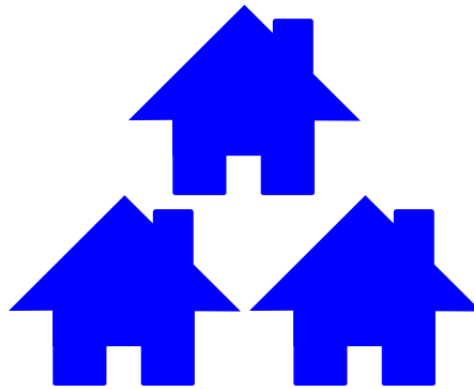
- Half of households make less than 100% AMI and half make more
- 2021 AMI = \$103,600 for a household of 3
- Low income (0% to 60%)
- Moderate income (61% to 79%)
- Middle income (80% to 120%)



What we've achieved



2000
3.2%
(1,276)



2020
8.4%
(3,767)



CITY GOAL
15%





In the Pipeline

971

– additional affordable units in the pipeline

5-15

– percent of permanent supportive housing units

Regulations + Policies + Investment

- Inclusionary Housing
- Commercial Linkage Fees
- Annexation

- Middle Income Strategy
- Manufactured Housing Strategy
- Preservation

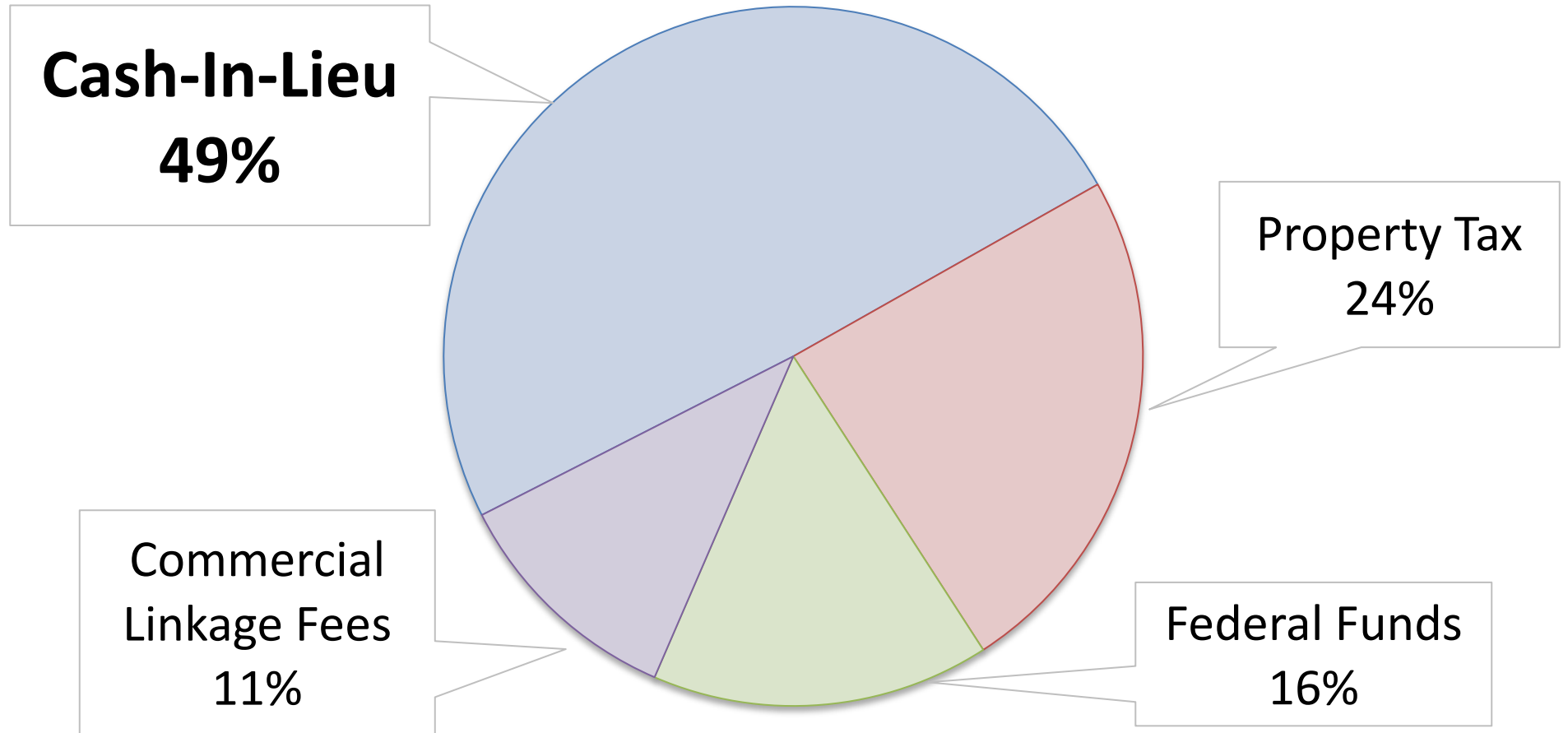
- Local and Federal Funds
- Leverage

- Partners



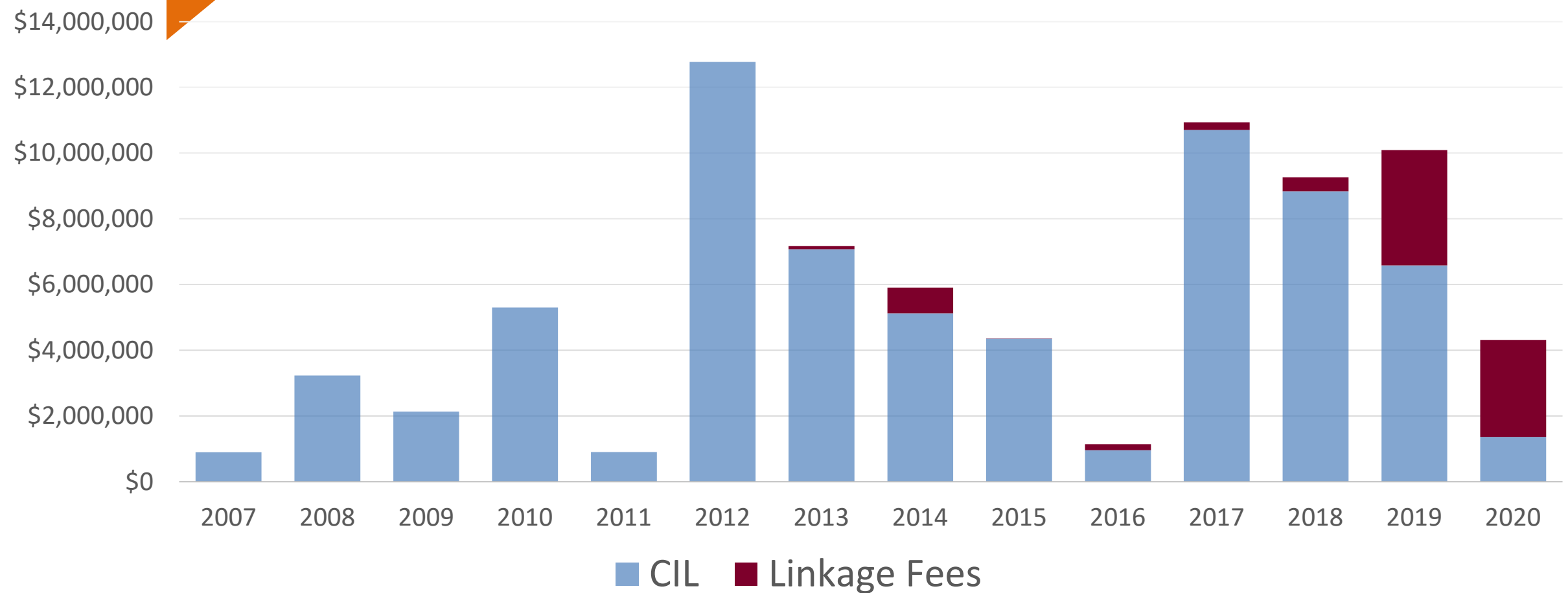
Funding Sources 2015-2020

\$66.5M
over 6 years





Cash-In-Lieu & Commercial Linkage Fees





How are funds used?

- Combine funding sources
- Local dollars leverage 2 to 3 dollars of outside money
- Funds competitively distributed to affordable housing providers
- Funding requests exceed available funds
- Provide deeper affordability



Where Does the Money Go?

New Construction

- Housing Authority – Palo Park, Lee Hill, High Mar
- Other nonprofits – 1440 Pine
- Private Affordable Providers – S’PARK West, Trinity

Preservation

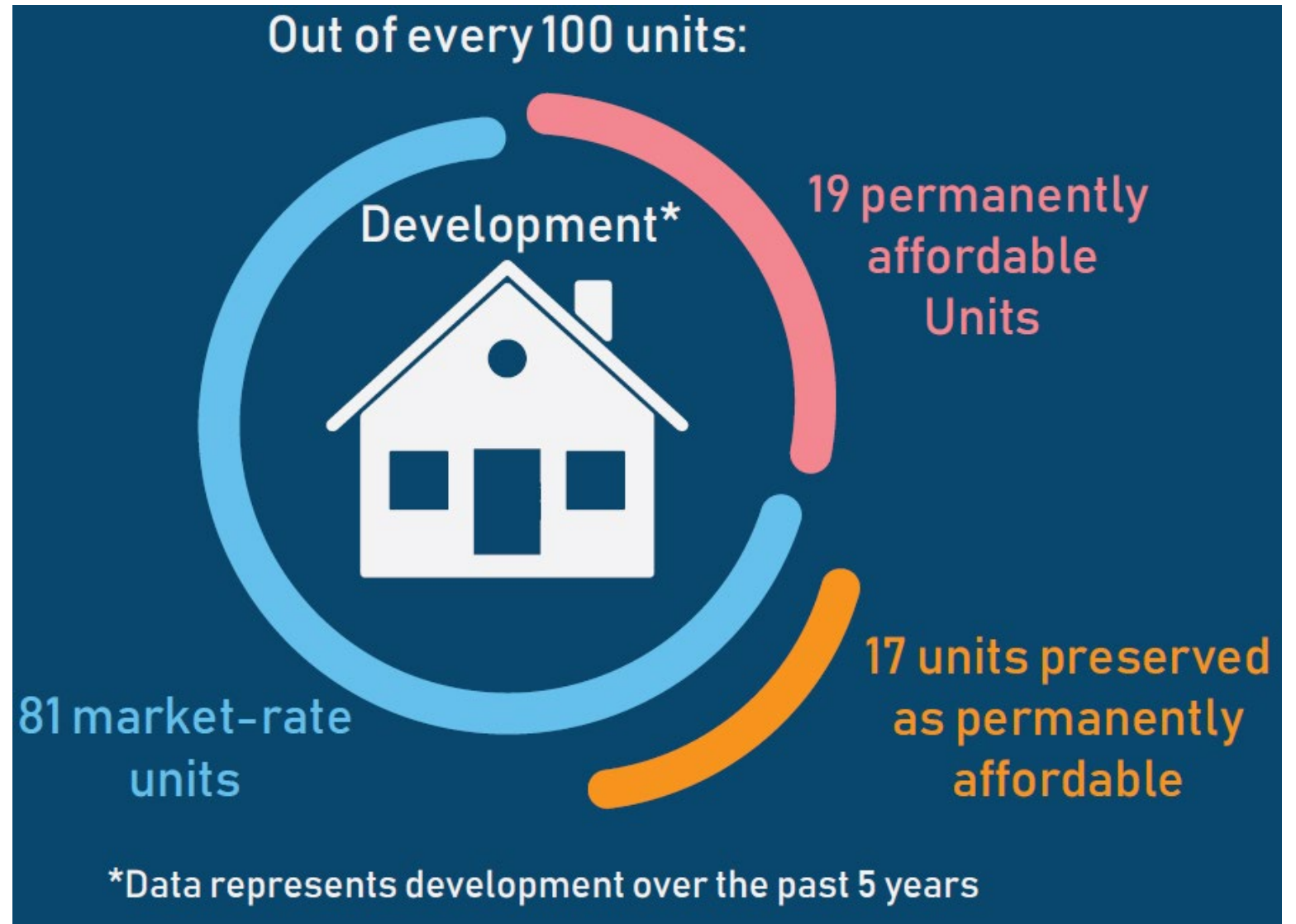
- Acquisition and Rehabilitation – Tantra, The Nest

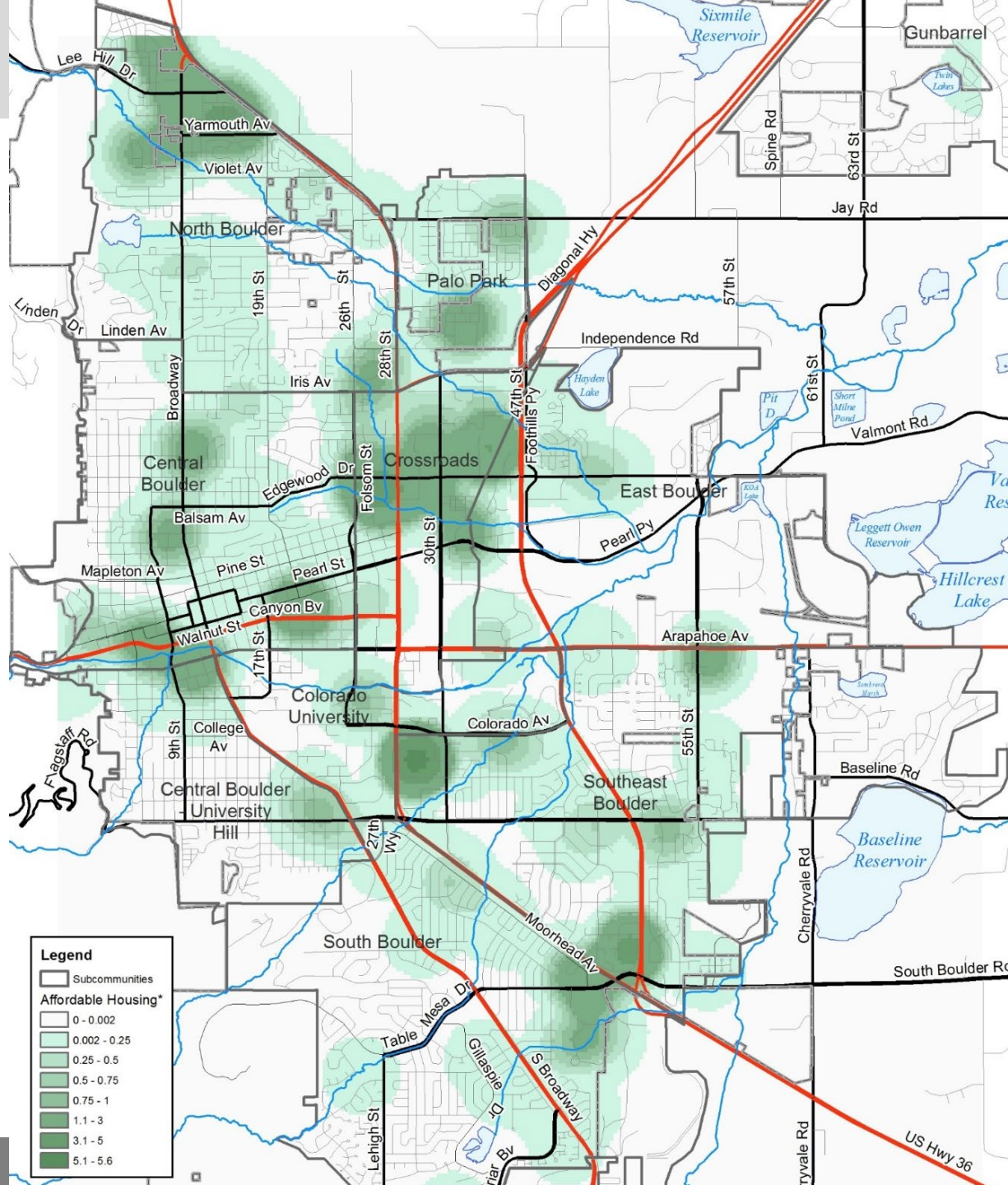
Programs

- Homebuyer and Homeownership Education
- Owner-Occupied Residential Rehabilitation
- Foreclosure Prevention

Land Banking (Palo Park, 30Pearl, Planning Reserve)

Regulations
+
Policies
+
Investment
=





Affordable Housing Distribution in Boulder



CIL Supports Diverse Housing

Boulder Housing Coalition - Ostara



BHP - Bridgeway



BHP - Broadway West



BHP - Hayden Place



BHP - High Mar



BHP - Lee Hill



BHP - Orchard Grove (Land Banking)



BHP - Palo Park



BHP - Red Oak Park



BHP - Twin Pines



Boulder Shelter for the Homeless



Boulder Shelter Transitional Housing



Bridge House - Ready to Work



Depot Square



EFAA - Transitional Housing



Element Properties - Osage



Element Properties - Thunderbird



Element Properties - The Nest



Element - Spark West



Thistle - Fairways



Thistle - Pinewood



Thistle - Tobey's Lane




Thistle - Uptown Broadway



Transit Village - Housing and Land



	Attention Homes (1440 Pine)	Trinity (2200 Broadway)	Palo Parkway (4525 Palo Parkway)	High Mar (4990 Moorhead)	Eastpointe (1550 Eisenhower)	Armory N. (4750 Broadway)	Reve (3000 Pearl)	Airgas (3200 Bluff)
Number of Units	40	16	44	59	226	200	242 (103,000 office/ 12,000 retail)	36 (55,000 commercial)
Zoning/ Land Use	RH-2; up to 52 units allowed	BT-2; special ordinance	MR land use designation: up to 44 units allowed	RH-5; allows 60 units	RH-4; no maximum number of dwelling units	Split zoned MU-1 and RMX-2; allows 200 units	MU-4; no maximum number of dwelling units	MU-4; no maximum number of dwelling units
Public Meetings	4 (+ many individual meetings)	1	30 (+ phone conversations and hundreds of emails)	3	1	None (Several held for previous proposal that would have required a special ordinance)	1	1
Changes to Address Concerns	<ul style="list-style-type: none"> Major changes to form and uses (e.g., moved height to interior) Good Neighbor Statement of Operations 	None	<ul style="list-style-type: none"> Off-set access drive Landscaped buffer Larger buildings tucked into corner Smaller footpath Consistent streetscape Parking above amount required Pitched rooflines TDM plan 	<ul style="list-style-type: none"> Fencing/landscaping to address privacy Parking above amount required Added design elements along path TDM plan 	Minor changes to design	<ul style="list-style-type: none"> Prairie dog colony to be relocated “mess hall” building preserved 	None	None
Community Benefits	<ul style="list-style-type: none"> Seven buildings Landmarked Offices for non-profits Community space Grab-and-go café for skill training Underground parking (23 rented) 	<ul style="list-style-type: none"> 85 structured parking spaces for public use multipurpose fellowship hall 	<ul style="list-style-type: none"> Playground Community center Community gardens Footpath along the creek 	<ul style="list-style-type: none"> Solar panels on covered parking Computer lab 	<ul style="list-style-type: none"> Memorial to Boulder Police Officer Beth Haynes 	<ul style="list-style-type: none"> Exceeds open space requirement Landmarking the “mess hall” 	<ul style="list-style-type: none"> Exceeds bike parking requirements TDM Plan 	<ul style="list-style-type: none"> Below grade parking TDM Plan Goal for net zero energy

BHP's Role in Affordable Housing Development

LAURA SHEINBAUM & IAN SWALLOW
BOULDER HOUSING PARTNERS



Boulder
Housing
Partners



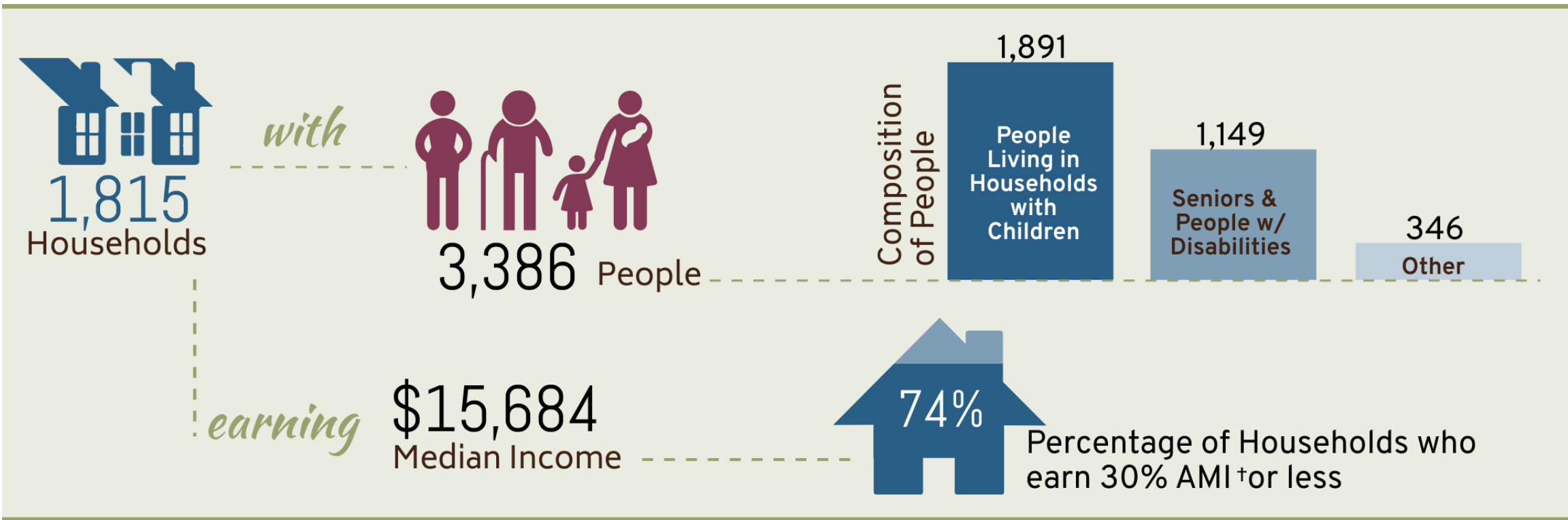
Who We Are



Who We Serve

Includes Housing Choice (Section 8) Voucher residents living in our local community and residents living in Boulder Housing Partners (BHP) Communities.

Affordable Programs



† 30% Area Median Income in Boulder County (2020): Household of one: \$24,180 | Household of four: \$34,530



BHP
Development
Strategies for
Growth & Asset
Management

New Construction

Acquisition

Land Banking

Renovation

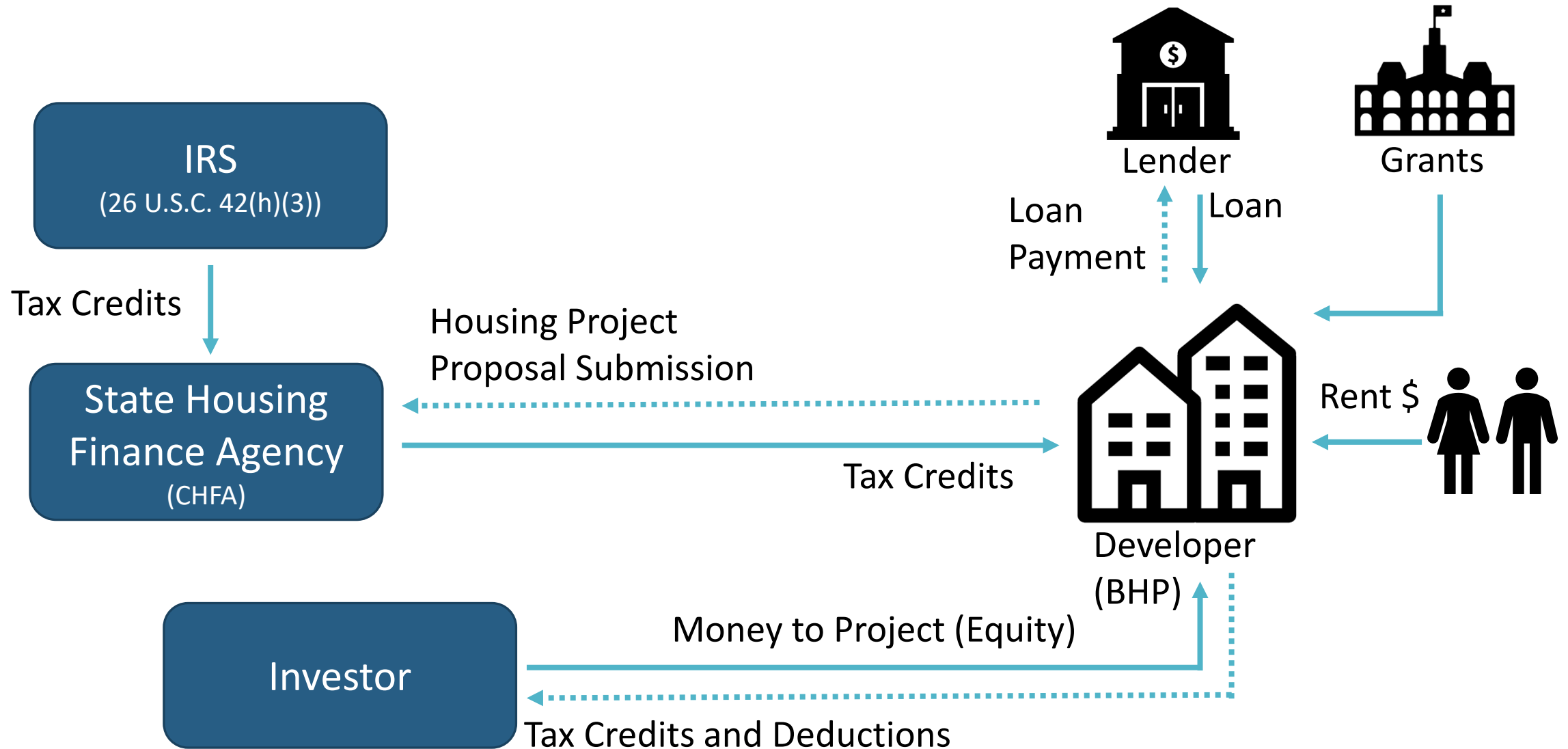
Partnerships

Low Income Housing Tax Credit (LIHTC)



- LIHTC program created in 1986 to **replace direct subsidies** from the Federal Government for affordable housing.
- Tax credits incentivize private investment in affordable housing by offering a dollar-for-dollar tax credit against an investor's federal tax liability. Current pricing \$.88-\$.95 per \$1.00 of tax credit.

How It Works

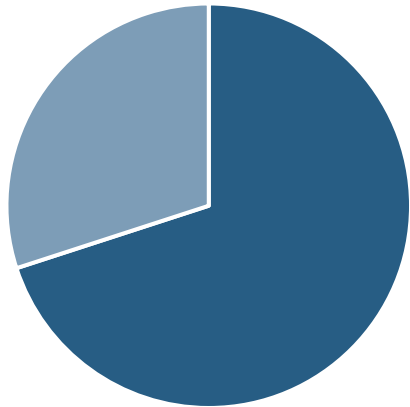




Value of Different Tax Credits

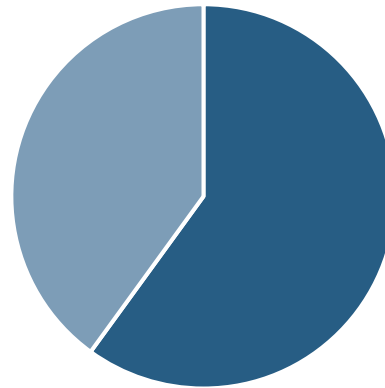
% of Development Costs Covered by Federal Tax Credit Financing for \$400K/Unit Total Development Cost

Competitive 9% LIHTC



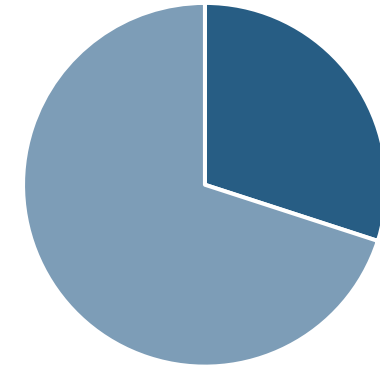
~70% = ~\$280K/Unit

4% + Competitive State LIHTC



~45-60% = ~\$220K/Unit

Non-Competitive 4% LIHTC



~30% = ~\$120K/Unit

Competing for Tax Credits



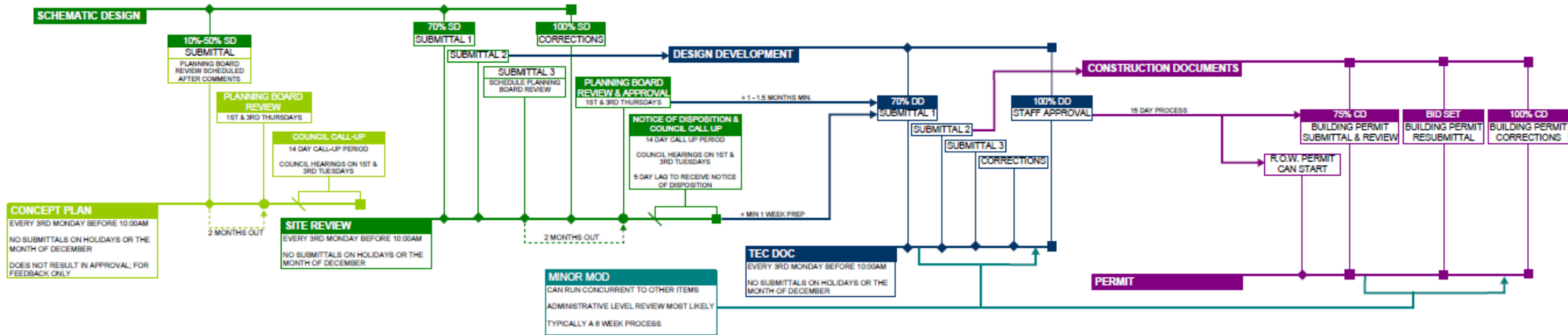
Project Location
Housing Needs
Characteristics
Tenant Populations
Energy Efficiency
Readiness to Proceed



City Entitlement Process and Tax Credit Competition



pre app



Finance Basics – No LIHTC

50 UNIT PROJECT:

WITHOUT TAX CREDITS



SOURCES	AMOUNT
Debt	\$5,500,000
Gap	\$12,600,000
Outside Grants	\$1,000,000
TOTAL	\$19,100,000

USES	AMOUNT
Land	\$5,000,000
Hard Costs	\$10,000,000
Developer Fee	\$1,200,000
Soft Costs	\$2,900,000
TOTAL	\$19,100,000

Finance Basics – LIHTC Matters

50 UNIT PROJECT:

WITHOUT TAX CREDITS

WITH TAX CREDITS



SOURCES	AMOUNT
Debt	\$5,500,000
City of Boulder	\$12,600,000
Outside Grants	\$1,000,000
TOTAL	\$19,100,000

USES	AMOUNT
Land	\$5,000,000
Hard Costs	\$10,000,000
Developer Fee	\$1,200,000
Soft Costs	\$2,900,000
TOTAL	\$19,100,000

SOURCES	AMOUNT
Debt	\$5,500,000
4%/State LIHTC	\$11,000,000
City of Boulder	\$1,900,000
Outside Grants	\$700,000
TOTAL	\$19,100,000

USES	AMOUNT
Land	\$5,000,000
Hard Costs	\$10,000,000
Developer Fee	\$1,200,000
Soft Costs	\$2,900,000
TOTAL	\$19,100,000

Density Matters – Scaling Up

50 UNIT PROJECT

60 UNIT PROJECT



SOURCES	AMOUNT
Bonds	\$5,500,000
4%/STC LIHTC	\$11,000,000
City of Boulder	\$1,900,000
Outside Grants	\$700,000
TOTAL	\$19,100,000

USES	AMOUNT
Land	\$5,000,000
Hard Costs	\$10,000,000
Developer Fee	\$1,200,000
Soft Costs	\$2,900,000
TOTAL	\$19,100,000

SOURCES	AMOUNT
Bonds	\$7,200,000
4%/STC LIHTC	\$13,200,000
City of Boulder	\$1,200,000
Outside Grants	\$400,000
TOTAL	\$22,000,000

USES	AMOUNT
Land	\$5,000,000
Hard Costs	\$12,400,000
Developer Fee	\$1,300,000
Soft Costs	\$3,300,000
TOTAL	\$22,000,000

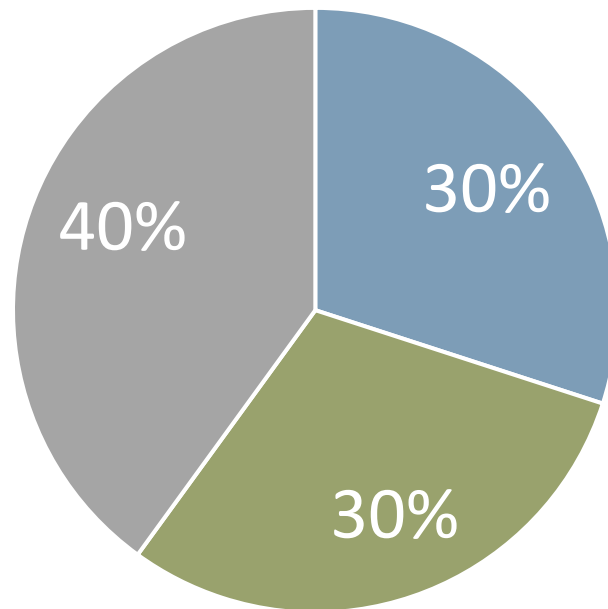


10 more units!

Acquisitions of Existing Apartments

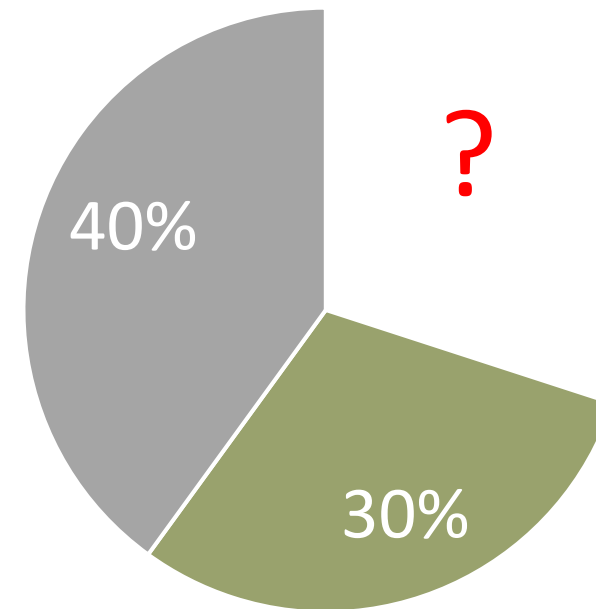
NEW BUILD VS. ACQUISITION

NEW BUILD



■ 4% LIHTC ■ Debt ■ Grants & Other Sources

ACQUISITION



■ Debt ■ Grants & Other Sources

Boulder – Renter Households Market Data*



	1-Person	2-Person	3-Person	4-Person	5+ Person
2017	43.9%	30.3%	14.0%	7.7%	4.2%
2022	44.5%	29.6%	14.0%	7.7%	4.2%

Largest projected increase: 1-person household (.6%)

*Data taken from Canopy Market Study

Boulder – Renter Households Earning <60% AMI



	40% AMI	50% AMI	60% AMI	Total	% of Total
1-person	738	1,077	1,115	2,274	40.1%
2-person	713	840	952	1,786	31.6%
3-person	249	250	384	730	12.9%
4-person	318	226	194	654	11.5%
5-person	122	75	78	224	3.9%
Totals				5,668	100%

- Over 70% of households earning less than 60% of AMI are 1 & 2 person households.

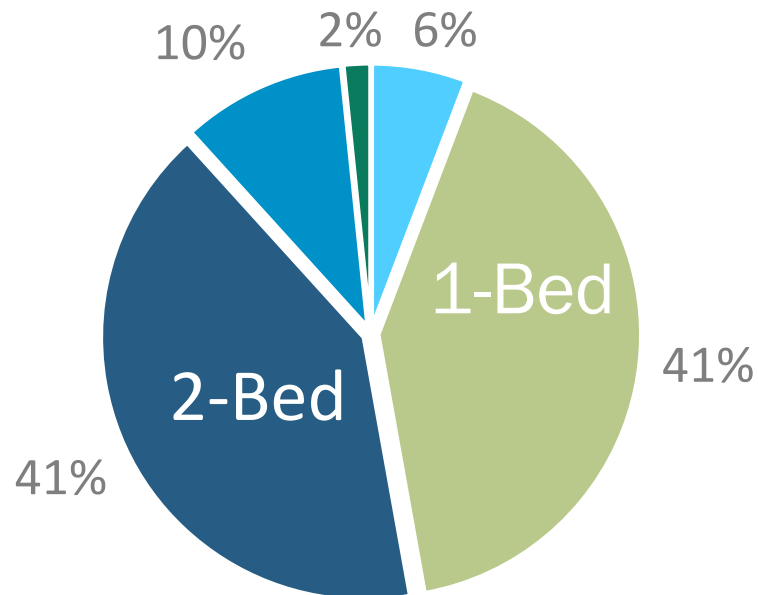
Boulder Market Vacancy

Unit Type	Vacancy
Studio & 1-Bed	5.80%
2-Bed	6.0%
3-Bed	8.7%

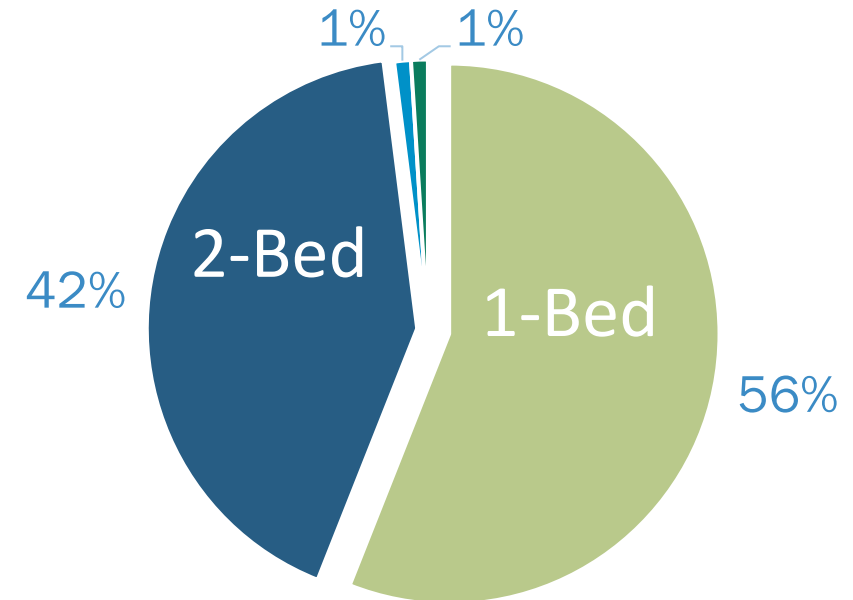
- Numbers are based on end of 2018 market data.
- Lowest vacancy rate in the Studio & 1-Bed/1-Bath Category

Unit Mix – BHP vs. Market

All BHP Units
(Data on 1,814 units)



Market Units*
(Data on 1,703 units)



*Data from Boulder County Assessor's Office (2018)

■ 0 bed
 ■ 1 bed
 ■ 2 bed
 ■ 3 bed
 ■ 4 bed

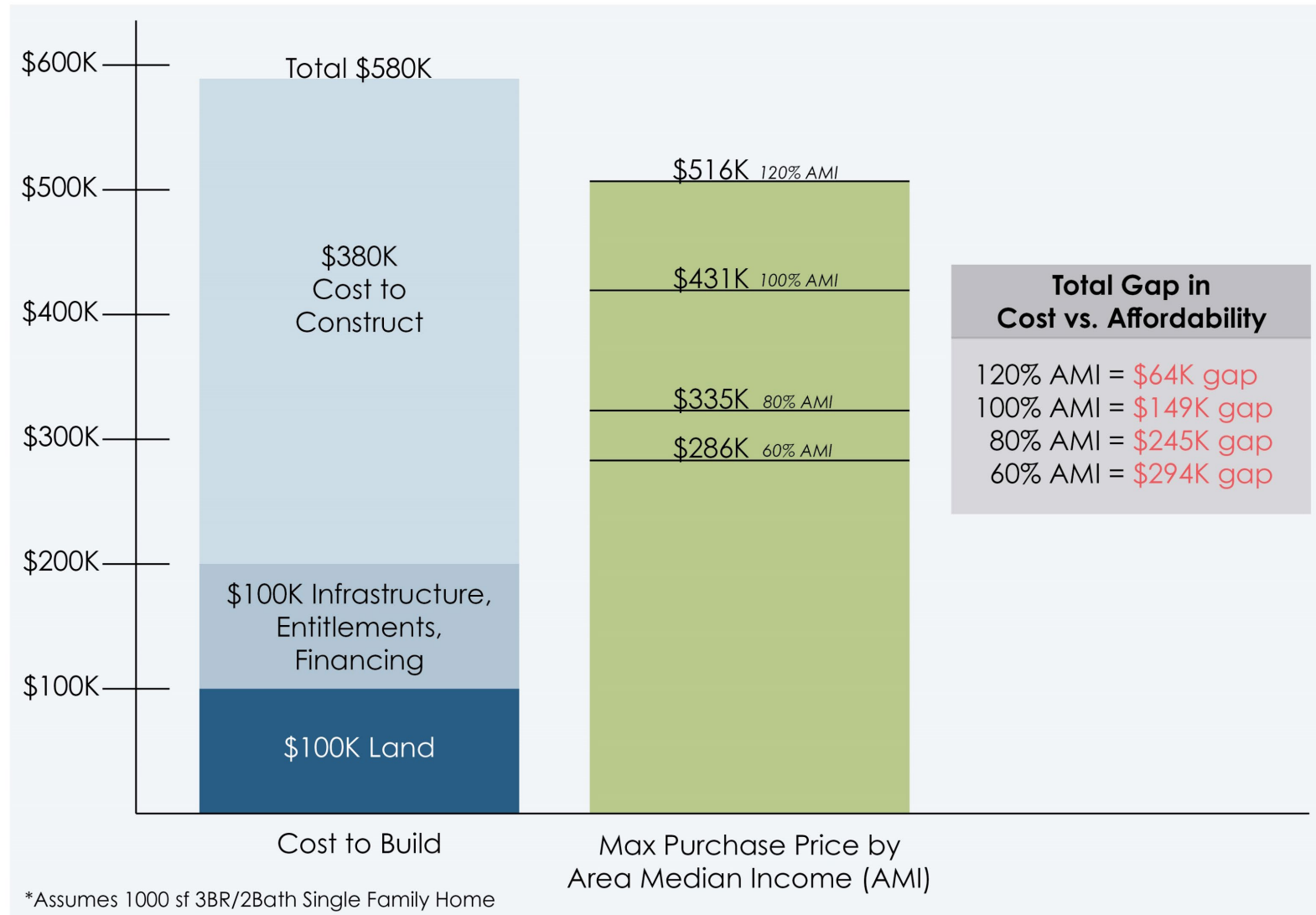
Permanently Supportive Housing: Tools BHP Employs to House the Homeless



1. Develop New Construction 100% Permanently Supportive Housing Projects such as Lee Hill
2. Develop New Construction Projects with Unit Set Aside for PSH Residents that includes service partners such as Boulder Shelter and Voucher Funding such as 30Pearl
3. Acquisition of Existing Properties with Set Aside of Units Dedicated to Housing the Homeless
4. Receive and administer local City of Boulder Voucher Funding for residents existing homelessness

**In all instances, supportive services provided by partner organization such as Boulder Shelter for the Homeless

Low to Moderate Income Homeownership



Questions



Terms

Inclusionary Housing (IH)—City requirement for a development to provide units or fees to support affordable housing in Boulder.

Low Income Housing Tax Credit (LIHTC)—Source of equity to build affordable housing.

State Housing Tax Credit (SHTC)—State source of equity to build affordable housing.

Area Median Income (AMI)—statistic by US Dept of Housing and Urban Development for purposes of determining the eligibility of applicants for housing programs

Colorado Housing and Finance Authority (CHFA)—Organization that awards tax credits

State Department of Local Affairs (DOLA)—Division of State Government that provides grant financing and is a source of Private Activity Bonds

Private Activity Bonds (PABs)—Form of Debt that is required to be paired with the 4% LIHTC