



City of Boulder Planning, Housing and Sustainability

Inclusionary Housing On-site Process and Timeline Updated 12/2018

This document contains an overview of the Inclusionary Housing (IH) requirements and a summary of processes and timelines for developments that choose to satisfy IH by providing affordable units on the site of a proposed new residential development (“On-site”). These processes and timelines may vary based on specific development needs as the project develops.

If you are planning to meet the IH requirements providing affordable units on-site in a by-right project, some of the following details may not apply. Please contact a Housing Planner early in the project for additional details and information. If you are planning to meet the IH requirements providing affordable units off-site, please see the Off-site Process and Timeline document.

The Inclusionary Housing Ordinance may be found in [the Boulder Revised Code Chapter 9-13 Inclusionary Housing](#), and is administered through the [Inclusionary Housing Administrative Regulations](#).

All documents, forms and policies identified in this document may be found on the city website at www.boulderadffordablehomes.com/inclusionary-housing.

Prior to Project Review

You are encouraged to contact a Housing Planner prior to submitting for any type of review to discuss the inclusionary program and options for meeting the requirement. At pre-application and/or concept plan (if applicable) you will receive preliminary comments concerning the Inclusionary Housing requirement.

Project Review

Compliance with Inclusionary housing is not a criteria for site or form based code approval. However, the housing planner can use your submittal materials to determine the IH requirement and to check for conformance with IH standards. It is highly encouraged that applicants identify on-site affordable units concurrent with a review process where modifications to meet the requirements may be easily incorporated. If modifications to meet the requirements are needed after completion of a review process a minor modification of the review approval may be required to document changes.

During the review the applicant and housing planner will determine the location of the affordable units, verify that the units meet size, bathroom, livability and other requirements. These aspects of the affordable units will be included in the approved plans.

Determination

Inclusionary Housing requires that for development with 5 or more residential units 25 percent of all new units be provided as permanently affordable. For developments of 4 or fewer units 20 percent of the units must be affordable. Initially 80 percent of the affordable units will have prices or rents set to be affordable to low/moderate income households and 20 percent will have prices or



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rents set to be affordable to middle income households. However, incentives may apply and impact the percent of units at these levels (see incentives below) As part of a review process submittal the following should be provided:

- The *Preliminary Determination of Inclusionary Housing Compliance Form*
- The *Unit Data* excel spreadsheet
- *Site and floor plans* which will be used to review the proposed affordable unit location (this may be modified during the review) and unit details outlined in the Livability Standards such as room & storage area sizes, location of cabinetry, counters and appliances

The Housing Planner will determine the IH requirement, a proportional determination of unit type, number of bedrooms, and unit sizes for the site. For example, a development with half single-family homes and half stacked flats is required to provide affordable units that will also be half single family and half as stacked flats. Similarly, if the units are half one bedroom and half two bedroom the affordable units will reflect that mix. For-sale developments must provide for-sale affordable units. Rental developments may provide rental or for-sale affordable units.

On-site Affordable Unit Incentives

A number of incentives are provided to encourage providing **for-sale** affordable units on-site. These incentives do not apply to rental affordable units.

- All **for-sale** affordable units provided on-site in developments with 20 or fewer total units will qualify for middle income pricing
- When 50% or more of the required **for-sale** affordable units are provided on-site the remaining cash-in-lieu is reduced by half
- When 75% or more of required **for-sale** affordable units are provided on-site the pricing mix may be adjusted to allow half of the affordable units to be priced to be affordable to middle income households

The minimum affordable unit requirements may be exceeded at the developer's option. If affordable units in addition to the number required to satisfy IH are provided city consideration may be requested.



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Affordable Unit Size Requirements

The minimum allowable sizes of the affordable units are based on the following:

Affordable Units*	Minimum Floor Area** – as compared to the average size of all units in the development	Maximum Floor Area* Low/moderate Income (Square Ft.)	Maximum Floor Area* Middle Income (Square Ft.)
Micro Unit (180–300 sq. ft.)	Equal	1,200	1,200
Studio/Zero-bedroom	Equal or 600 sq. ft. whichever is smaller	1,200	1,200
One-bedroom	Equal or 700 sq. ft. whichever is smaller	1,200	1,200
Two-bedroom	80%	1,200	1,200
Three-bedroom	80%	1,400	1,600
Four-bedroom	80%	1,400	1,600

Affordable Unit Bathroom Requirements

- 1 bedroom - 1.5 baths
- 2 bedroom - 2 baths
- 3 or more bedrooms - 2.5 baths

Affordable Prices

Low /Moderate income unit prices are determined by the city to be affordable to a household earning no more than the HUD low income limit for the family size (The 2018 HUD Low Income Limit is 66.2% of Area Median Income - AMI). Middle Income sales prices are determined by the city to be affordable to a household with annual incomes between eighty percent and one-hundred twenty percent (80% - 120%) of AMI. Three tiers of middle-income pricing will be distributed in a rotating fashion starting with the 80% tier. Initial sales prices are adjusted quarterly and based on unit size and number of bedrooms when the Permanently Affordable Housing Covenant, which deed restricts the units in perpetuity, is executed, typically a month or two prior to building permit submittal.

Affordable Rents

Low/moderate-income rents are set by the city to be affordable to a household earning no more than sixty percent (60%) of the area median income. Middle income rents are set to be affordable to a household earning no more than eighty percent (80%) area median income. Rents are adjusted annually. Affordable rental units must be owned all or in part by a housing authority or similar agency. Details concerning how affordable rental units are managed may be found in the [Rental Compliance Manual](#). All of the required low/moderate rental units must be provided on-site before any middle-income rental units will be permitted.



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Location and Timing of the Affordable Units in a Development

All on-site affordable units must satisfy the requirements of IH concerning distribution in the development. For-sale affordable units must be distributed equally throughout the development. Rental affordable units may be provided in a separate building from the market rentals in the development. All affordable unit locations are subject to city review and approval. All affordable units must be constructed concurrent to the market units in the development.

Livability Standards

All affordable units must meet the city Livability Standards for Affordable Units. Livability Standards ensure that the substantial and long-term public investment in affordable housing in the community be livable, of good quality and design and meet health and safety standards. The Livability Standards for Permanently Affordable Housing may be found on the city Housing & Human Services web site.

Two checklists are required prior to building permit submittal to facilitate the Livability Standard review; Part I is typically provided during site review. This checklist indicates compliance with room/storage sizes, and the amount and location of cabinetry and appliances. Part II lists finish and appliance requirements and warranty periods for both.

Housing Inspections

Depending on the configuration and location of the affordable units the city may require a Housing Inspector to ensure quality construction, materials and installations and compliance with all affordable housing requirements, covenants, and agreements. The owner is responsible for the cost of the inspector which must be provided to the city prior to residential building permit submittal. A final report from the Housing Inspector is due prior to issuance of any certificate of occupancy (CO).

Documents and Payments

The following documents must be provided and/or executed prior to any residential building permit submittal for the development:

1. The final *Determination of Inclusionary Housing Compliance* form - Documents the IH requirement for the development.
2. The *Inclusionary Housing Agreement for On-site Affordable Units* – Documents all requirements and responsibilities for the development including specific timing requirements and the need for a housing inspector if applicable.
3. Review and city approval of *site and floor plans that meet the Livability Standards for Permanently Affordable Housing* including *Checklist I & II*.
4. An interim or final *Permanently Affordable Housing Covenant, Promissory Note and Deed of Trust*; and any other required documentation. The Covenant deed restricts the units as affordable in perpetuity. Prior to signing the Affordable Housing Covenant applicant will need to provide a number of documents to the city including an “Authority to Sign” for any ownership LLC’, title good to within 30 days.



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5. *Condominium Declaration and Homeownership Association* documents, if applicable for city review and approval.
6. *Remittance* sufficient to cover the estimated cost of housing inspections.

Marketing and Compliance – For Sale Units

All for-sale or rental affordable units are subject to marketing requirements based on Fair Housing Standards and city policies and on-going compliance and monitoring requirements. During construction, the applicant will coordinate with housing staff to understand these requirements and start marketing efforts.