Analysis of the Downtown Residential Bonuses*

Has the residential bonus implemented in 2000 produced large, costly housing units that are potentially used as second homes?

Has the community gained an acceptable affordable housing benefit in downtown through the bonus strategy?

*** Response to City Council and Planning Board Joint Study Session questions about the type and nature of residential development that has resulted from the residential density bonuses.**

The Size of Residential Units Built Since 2000

147 residential units currently located downtown

- **34 units constructed before 2000**
- **4 permanently affordable (After 2000)**
- **109 market rate units (after 2000)**
- **Diversity of sizes with 80% < 2,000 s.f.**
- **Average size market rate units-- 1,660 s.f.**
- **Majority 2 bedrooms or less**
- **Trend likely to continue (Professionals, empty nesters and retirees vs. families with children needing more than two bedrooms)**

The Size of Residential Units Built Since 2000

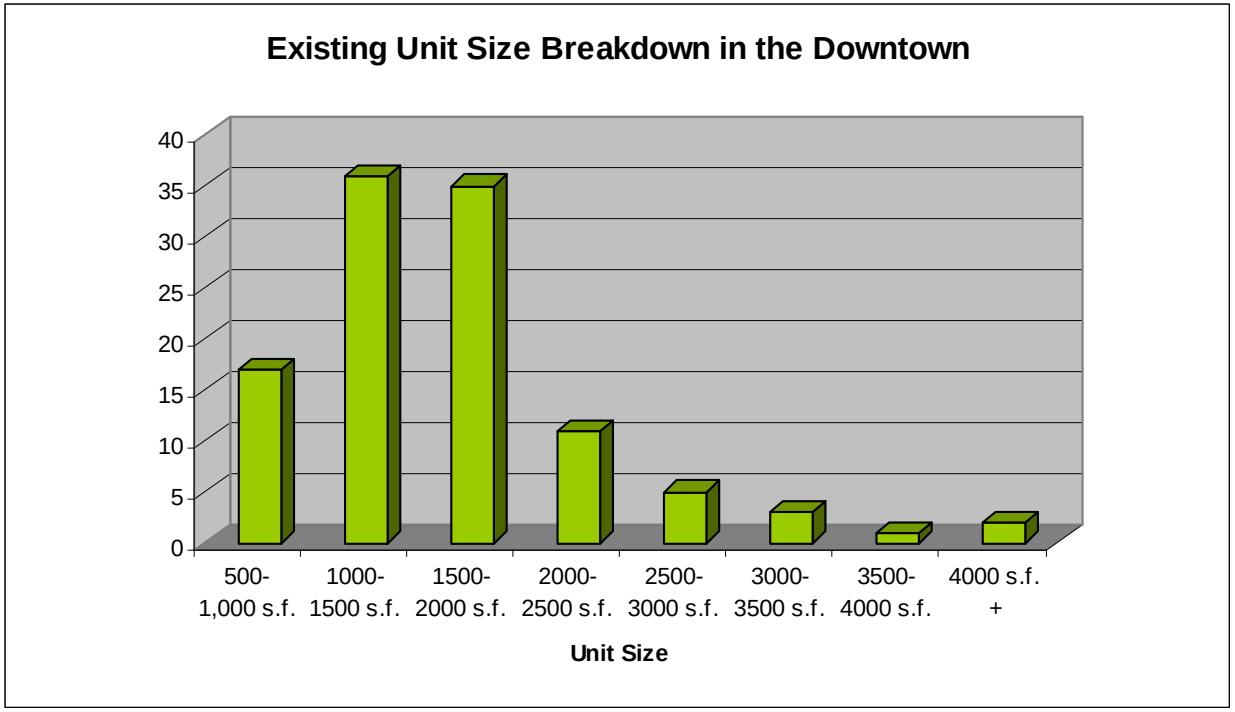
15% less than 1,000 s.f.

65% between 1,000 and 2,000 s.f.

15% between 2,000 and 3,000 s.f.

4% between 3,000 and 4,000 s.f.

1.5% over 4,000 s.f.



Units Currently in Construction or Development Review Process

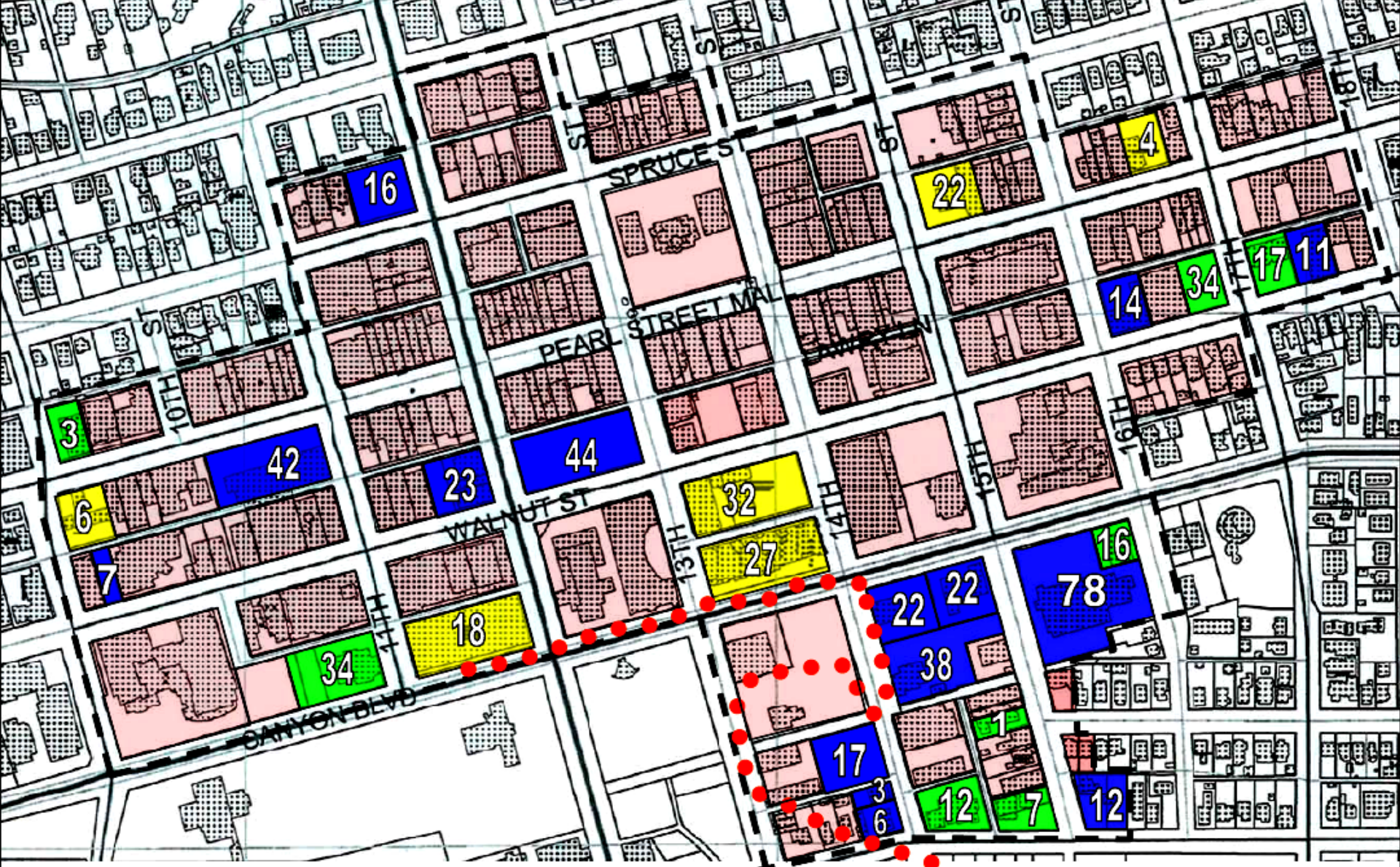
124 units under construction or in review

- **Average unit size differs very little from existing units**
- **Average market rate unit size 1,660 s.f. built between 2000 and 2008**
- **Average unit size under construction or review, 1,600 – 1,700 s.f.**

Potential Maximum Build-out – 2008 to Future

Three Possible Future Scenarios						
935,647 s.f. of additional gross square feet potentially created if all underdeveloped parcels, identified in analysis, build-out to maximum allowable FAR	**Scenario 1** 75% residential 25% non-residential		**Scenario 2** 50% residential 50% non-residential		**Scenario 3** 25% residential 75% non-residential	
	Total # add'l Units @ 1,650 s.f.	new Non-Res s.f.	Total # add'l Units @ 1,650 s.f.	new Non-Res s.f.	Total # add'l Units @ 1,650 s.f.	new Non- Res s.f.
	355 new units	233,909 new s.f.	233 new units	467,891 new s.f.	113 new units	701,737 new s.f.

Completed Non-Residential Development from 2000 and 2008
approximately 885,500 square feet



Boulder, Colorado

All Residential Units Downtown

Existing, Under Construction or Review, Projected Maximum Build-out 2000 - future

109 Market Rate Residential Units built after bonus density

124 Residential units under construction or review

355 projected residential units at average of 1,650 s.f. per unit assuming non-residential ground floor (# units per site =parcel area x FAR x 75%x85% /1,650)

High Hazard Zone

The Size of Buildings

- **Anecdotal perception of large units may include concern over building size**

  Especially in interface zones and areas south of Canyon Boulevard—
  Areas most sensitive to context

- **1997 Downtown Alliance goals encourage most density in downtown core, lesser density at edges requiring sensitive design**

A Question of Scale and Bulk

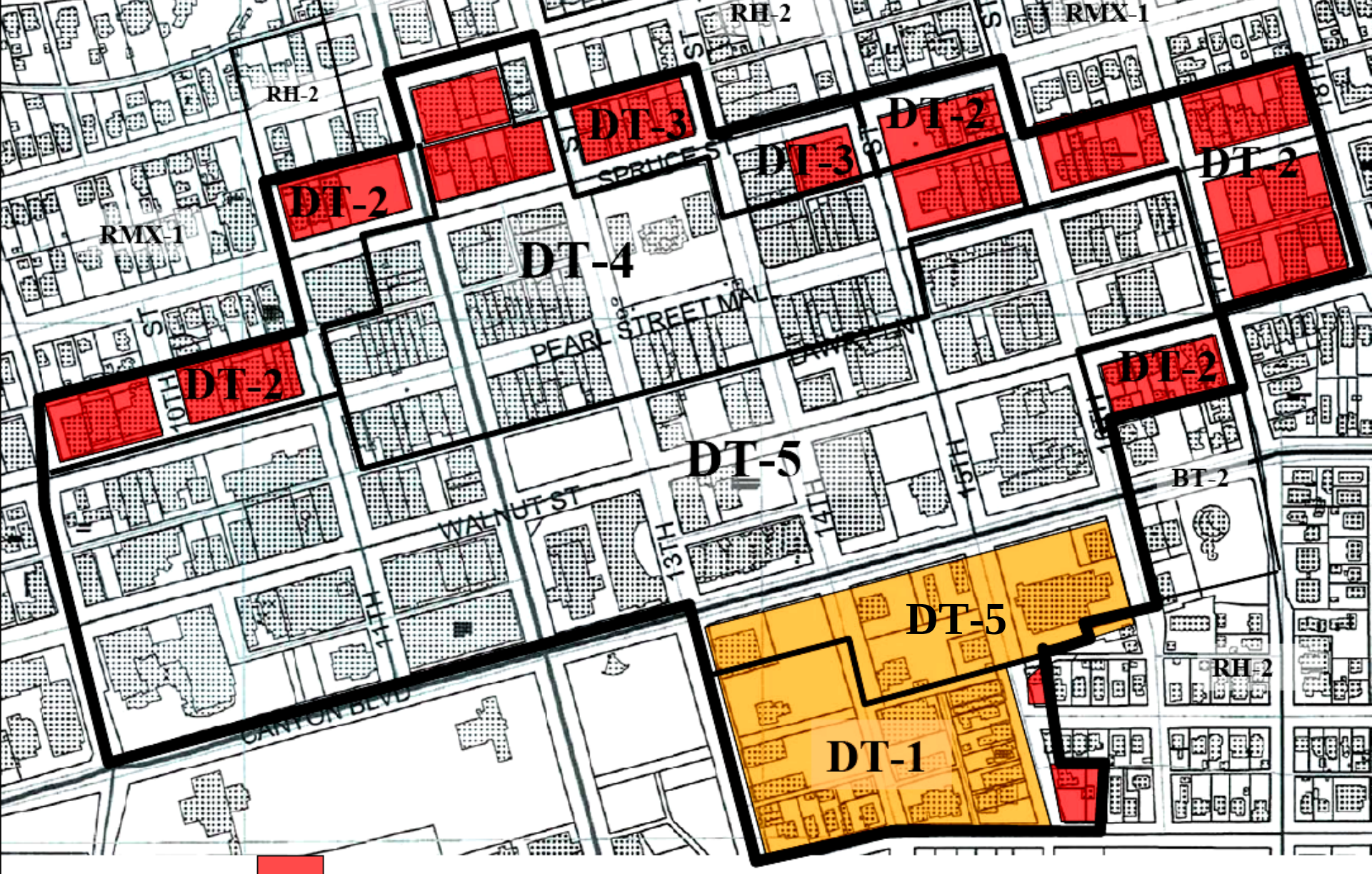
- **Building form regulated by**

  Boulder Land Use Code
  Downtown Urban Design Guidelines

- **Theoretically--vision should be codified in the The Boulder Land Use Code**

- **Projects submitted at or near max FAR most difficult at the edges of downtown**

- **Is there a potential disconnect between code, guidelines, review process?**


RH-2
RMX-1
DT-2
DT-3
DT-4
DT-5
DT-1
BT-2
SPRUCE ST
PEARL STREET MALL
WALNUT ST
CANYON BLVD
10TH ST
11TH
13TH
14TH
15TH
Interface Zones Within Downtown Zone Districts
Area South of Canyon in DT-1 and DT-5 Zone Districts
north
(no scale)

Boulder Land Use Code						
Downtown Zoning Areas		DT-1	DT-2	DT-3	DT-4	DT-5
Base FAR		1.0	1.5	1.7	1.7	1.7
FAR addition components	Residential floor area (FAR)	0.5	0.5	0.5	0.5	0.5*
	On-site parking provided entirely within the principal structure , or above grade parking structure	All, to max. of 0.5 FAR	All, to max. of 0.5 FAR	All, to max. of 0.5 FAR	0	All, to max. of 0.5 FAR
Maximum allowable FAR (sum of base plus all available additions)		2.0	2.0	2.7	2.2	2.7

* 1.0 FAR if parking bonus NOT used

The Cost of Residential Units Built Since 2000

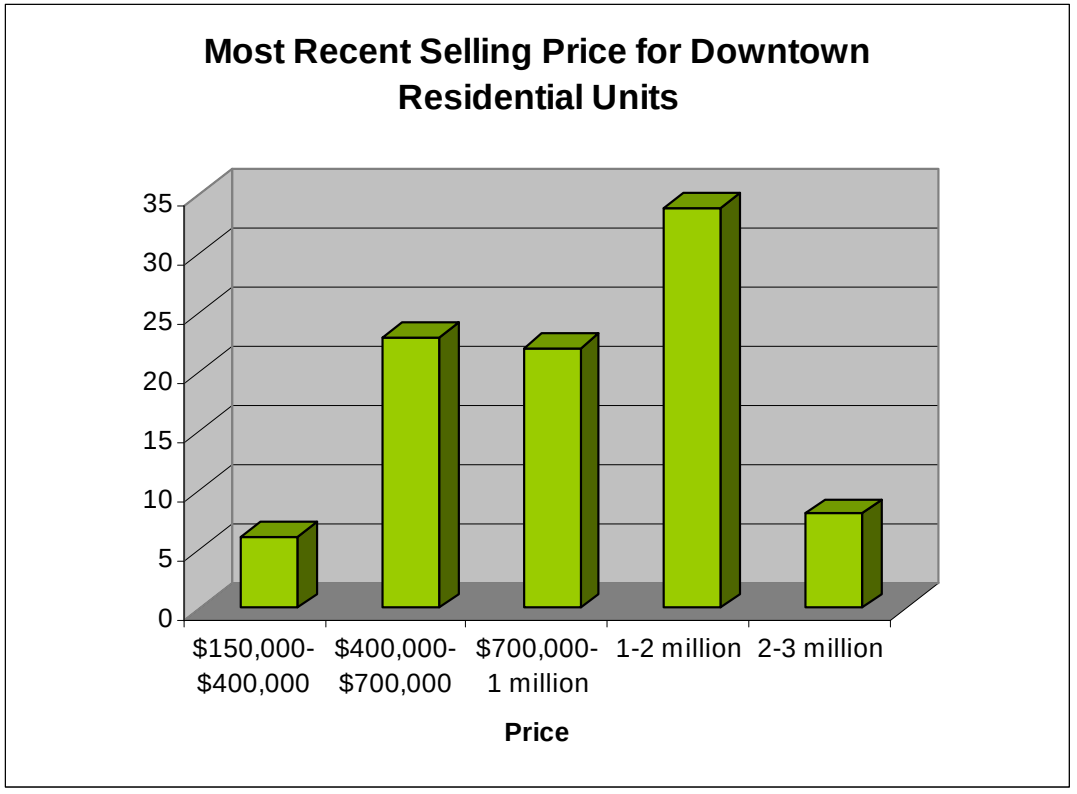
Downtown units are expensive

- **Prices based on market demand &desirable downtown location**
- **Multi-million dollar units likely to increase**
- **42 units sold for over one million dollars***
- **Average price square foot -- $596**
- **69% of units sold for over $700,000**
- **Cost of building mixed-use projects also high—approximately $400 to $550/s.f.**

*** City data, county assessor data, and information directly from property owners and developers identified sale prices for 93 of the 110 residential units constructed after 2000.**

The Cost of Residential Units*
Built Since 2000

6% sold for between $150,000-$400,000
25% sold for between $400,000-$700,000
24% sold for between $700,000-1 million
37% sold for between $1-2 million
9% sold for between $2-3 million



*** City data, county assessor data, and information directly from property owners and developers identified sale prices for 93 of the 109 residential units constructed after 2000.**

Absentee Owners and 2nd Homes

Note: This slide has been revised since presentation to Planning Board on September 4.

- **Of 87 units analyzed, approximately 29 or 33 % show a 2nd owner address.***
- **8 units have a "rental license", which does not mean that they are the only rental units, but the only units with a license****
- **Of the 29 units with 2nd owner address, 17 are located in the city of Boulder and 7 appear to be business addresses**
- **As many as 33% or as few as 16% may be occupied during some portion of the year.**

. **Based on county assessor's data where the owner's primary address, the address where their property tax bill is sent, is different from the address of the downtown units.**

** **Based on the City's Rental Housing Database showing the number of condo units listed with a rental license.**

Has the community gained an acceptable affordable housing benefit in downtown through the bonus density strategy?

- **Of 109 units, 12 replaced existing units -- no affordable requirement**
- **4 permanently affordable units on-site (3 @ One Boulder Plaza) plus three permanently affordable single-family homes off-site; 1637 Pearl St. built 1 on-site affordable unit**
- **All other projects elected cash-in-lieu + additional 50% on 2nd half to meet inclusionary zoning**

Recommendations

- **Size of residential units**
  - ✓ **Monitor but no further action necessary**
- **Size of buildings**
  - ✓ **Update Urban Design Guidelines to strengthen vision for interface areas and areas south of Canyon Boulevard**
  - ✓ **Update Code to better align with Guidelines for interface areas and areas south of Canyon Boulevard**
  - ✓ **Address coordination of review body analyses**
- **Absentee Owners and 2nd Homes**
  - ✓ **No action necessary**
- **Cost of residential units**
  - ✓ **Address affordability issues within the context of the city-wide review of affordable housing currently underway**