

## **BHP Board Statement**

### **300 & 301: GROWTH INITIATIVES**

*Neighborhood Right to Vote and Growth Pays Its Own Way*

September 2015

In 2000 there were 8,047 rental units available and affordable to households earning less than \$30,000 annually. Today, only 2,397 apartments target that market by renting for less than \$750 per month, a 70% decline. If this rate continues, by 2020 Boulder will have no affordable rentals for households with annual incomes under \$30,000 or \$14.42 per hour.

In its role as the city's housing authority and the largest developer of affordable housing in the city, the Boulder Housing Partners (BHP) Board of Commissioners offers the following thoughts about the potential policy impacts of the two growth initiatives on the 2015 ballot.

We share the interest of citizens and neighbors to collectively impact the amount and pace of growth in Boulder. However, we are concerned that both initiatives will have consequential impacts on the ability to increase the supply of affordable housing in the city.

**Increased cost of housing:** Both initiatives create major and minor delays in the project approval process. Delays are often the breaking point for affordable projects when scarce grant dollars operate with narrow windows of fund availability, and the cost of time and materials increase while waiting for approvals. Council action and neighborhood voting will add between three to nine months of additional time to organize and implement during which time the cost of everything goes up. While the initiatives are clear that the City will pay for the cost



of a neighborhood election, developers will incur substantial cost for neighborhood outreach, education and information management.

**Increased Risk:** The uncertainty related to both initiatives may be enough to slow or stop affordable housing investment funds in Boulder. Neighbors' ability to vote against a land use change that could transform a project from feasible to infeasible at any stage of the development process will make development too risky for the non-profit sector.

**Decreased Opportunity:** In our important network of state and federal equity funding sources, Boulder is perceived as a strong but risky market. Our reputation for having a long and expensive project approval process will be exacerbated by another impact fee and a neighborhood veto. We expect to lose funds and opportunity. It is likely that any option contracts on land purchases will disappear because sellers will not wait for a neighborhood vote on the proposed development plan. This could cause all land sales to be cash purchases with full buyer risk. This condition will continue to propel Boulder into an environment of investor-only development as non-profits can't afford to take the risk on land.

### *Neighborhood Right to Vote*

**Regional Planning:** Boulder County has a critical need to engage in regional planning to solve its affordable housing problems. The NRV would fundamentally change the way planning decisions will be made by providing a neighborhood veto over land use planning. This planning-by-neighborhood initiative is anathema to the emerging energy to do more housing planning regionally.

**Eroded Neighborhood Engagement:** BHP knows that a well-designed engagement process creates a better project thanks to creative ideas from neighbors. This process requires hours of meetings and commitment to the creative process. If neighbors know that they can opt to provide their input at the ballot instead of at meetings, we could end up with a much eroded ethic of neighborhood engagement.



**Mediocre Design:** We want to emphatically endorse the critical relationship between neighborhood engagement and affordable housing design. We think the better model to manage neighborhood planning and land use concessions is through conversation and creativity rather than electioneering and voting. Many of the land use changes requested are associated with making a better project and a better neighborhood. Built by right, projects would be substantially less affordable and interesting. It's quite likely that only by-right projects will get built and our built environment will become less, rather than more, pleasing.

### *Growth Pays its Own Way*

**Strangling Our Options:** There are two primary ways to create affordable housing: buy existing units or build new. The acquisition market in Boulder is very limited in terms of multi-unit properties and the current investor interest in Boulder makes the prospect of competing against large portfolio buyers impossible. Acquisition has not been, on the whole, a reliable strategy for affordable housing. If new construction is also marginalized as an option, increases in affordable housing inventory could be fundamentally stymied.

**Ambiguity:** Try as we might, we cannot interpret what would be required of us in a future project. A more carefully and specifically worded proposal would help all voters.

BHP's thoughts about what can and should be done to make Boulder an affordable, diverse and inclusive community can be found on our website [here](#).

