From "Rob Price <rob.price@bvsd.org>" <rob.price@bvsd.org>
Subject **Better Boulder Middle Income Housing - Final Report**
To Susan Cousins <susan.cousins@bvsd.org>
Date March 2, 2026 8:18:43 AM MST

As you start building the Boulder Council presentation (date is TBD), there are alot of good takeaways in this report.

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---------- Forwarded message ---------
From: **Elisabeth Patterson** <elisabeth.patterson@gmail.com>
Date: Mon, Mar 2, 2026 at 8:04 AM
Subject: Better Boulder Middle Income Housing - Final Report
To: Better Boulder <info@betterboulder.com>

All:

Thank you for participating in Better Boulder's Middle Income Housing - Ideas into Action event. We appreciate your outstanding work on this important issue.

The final report is available here: https://betterboulder.com/creating-middle-income-housing-ideas-into-action-event-report/

The report is also attached below.

Elisabeth Patterson
Executive Director
Better Boulder
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better boulder
vibrant. liveable. connected.

Attachments:

- Better Boulder Middle-Income Housing Event Report.pdf

Better Boulder Creating Middle-Income Housing: Ideas into Action Event Report

Executive Summary

In January 2026, Better Boulder convened approximately 60 local and regional housing experts to share their knowledge and experience about the challenge of creating for-sale middle-income housing in Boulder. The event focused on working groups to address the specific challenges of developing middle-income housing in the City of Boulder and to come up with some potential solutions for producing homes that people would want and could afford. In addition to Better Boulder Board members, participants included a director from the Colorado Division of Housing, many current and former members of the Boulder City Council and Boulder Planning Board, a Boulder County Commission member, City of Boulder Housing and Human Services and Planning and Development staffs, Boulder Housing Advisory Board members, affordable and market-rate housing developers and home builders, architects, real estate attorneys, realtors, co-housing residents, land trust and nonprofit leaders, and others with diverse housing perspectives.

Across discussions, participants agreed that the shortage of attainable for-sale homes for middle-income households is driven less by demand and more by policy, land, and cost structures that can be adjusted with coordinated action. The Ideas into Action findings and next-steps fall into the following categories:

- **Question Assumptions**
- **Change Zoning**
- **Change Regulations, Permitting, and Other Policies**
- **Reduce Land Costs**
- **Reduce Construction Costs**
- **Find New Ways to Fund**
- **Change the Narrative**

The recommendations demonstrate that expanding middle-income homeownership in Boulder is not a question of possibility, but of alignment and priority. Participants consistently emphasized that targeted zoning flexibility, streamlined permitting, innovative construction approaches, and creative financing tools can unlock housing that is now difficult to produce, at a cost that is affordable for middle-income households. With coordinated leadership among city officials, private developers, nonprofit partners, and community stakeholders, Boulder can reduce the middle-income ownership gap while preserving the qualities that make the city desirable. Acting on these strategies now will strengthen economic diversity, workforce stability, and long-term community resilience.

Introduction

The event began with a brief introduction and then separated into four facilitated break-out sessions focused on building costs, tools to create affordability, land use and zoning, and ideas that have worked elsewhere. In each of four breakout sessions, participants framed the problem to solve for their group, identified stakeholders for middle-income affordable housing, and shared insights, concerns, and opportunities. They explored what it would take to address the issues and the impacts, feasibility, timeline, and resources needed for solutions. The breakout discussions were followed by a whole-group summary session in which facilitators reported key ideas and recommendations discussed in each of the working groups.

This paper provides a summary of the proceedings and recommendations for next steps to encourage progress in producing middle-income homes. While this paper is not a deep dive and does not reflect an overall group consensus, the Better Boulder convening raised important questions and identified and underscored some key issues and potential solutions that many housing experts, public officials, and others agreed on. It also brought

together many of the people who are committed to doing the work and can help the city move forward with an effective plan. The point of the event and this summary is to provide positive energy for policymakers to make middle-income housing a priority for Boulder.



Background

In May 2025, Better Boulder published a position paper: "Creating Middle-Income Housing in Boulder." Better Boulder had studied the city's housing supply gaps by income level and determined a priority for housing would be to focus on solutions for developing more for-sale homes for middle-income households, specifically those earning 80-120% of area median income (AMI). The paper noted that the rising cost of housing has made it difficult for middle-income households—educators, nurses, first responders, small business owners, nonprofit professionals, service sector employees, and others—to be able to afford to live in the city. It examined some of the challenges and offered recommendations and encouragement for Boulder's leaders to advance development of attainable middle-income housing with new ideas and innovations.

Many more homes are needed to reach the city goal of 15% of housing being permanently affordable for low-, moderate-, and middle-income households by 2035*;* in 2025, 8.9% of the city's housing was permanently affordable. Better Boulder recommends the city's Inclusionary Housing (IH) program remain dedicated to adding homes for households with incomes up to 80% AMI. Better Boulder also, in principle, supports the requirement that developers provide 25% of new residential development with more than five units, and 20% of new development with less than five units, as permanently affordable either on site, on dedicated land or projects offsite, or by making a cash-in-lieu contribution to the city's Affordable Housing Fund. Our research over the last year and discussion in this event have created heightened awareness that IH fees add to the cost of market-rate housing targeted toward middle-income buyers (thus burdening housing we want more of). We would welcome consideration of policies that would ease IH fees for modest housing types if the result were revenue-neutral. This would mean creating a more progressive fee structure and/or identifying other revenue sources that would keep the IH program on track to meet its goals.

Due to current zoning and land-use policies, combined with high regulatory costs and city fees, the new-home product category that makes most financial sense for residential development in Boulder are higher-end houses and market-rate apartments. Our analysis has shown that current circumstances have made options for the rental market fairly stable, with reasonable availability for residents in the 80-120% AMI range. But the financial barriers that disincentivize production of middle-income home ownership has made this housing type one of our most serious affordability challenges.

While there are some concerns about affordability for middle-income households in the rental market, assuming households spend no more than 30% of their income for housing, data shows there is a large and accelerating gap in attainable home ownership for households in the 80-120% income range. (The city defines "affordable housing as rental or ownership housing that is deed restricted in perpetuity. In this report, Better Boulder uses "affordable" or "attainable" housing to mean simply a home buyers can afford.) The city produced an important Middle Income Housing Strategy in 2016, with a goal of having 3,500 middle-income affordable homes by 2030. The city has made efforts since then to make middle-income housing more available and affordable, with mixed results. While the city's Middle-Income Down Payment Assistance (MIDPA) Pilot Program was well-intentioned, no one has taken

advantage of it because mortgages still would be too high for most buyers. Better Boulder supports the city's more successful House to Homeownership (H2O) Program, which provides first-time homebuyers with a loan of up to $100,000 to invest in market-rate homes with no resale restrictions.

The Challenge

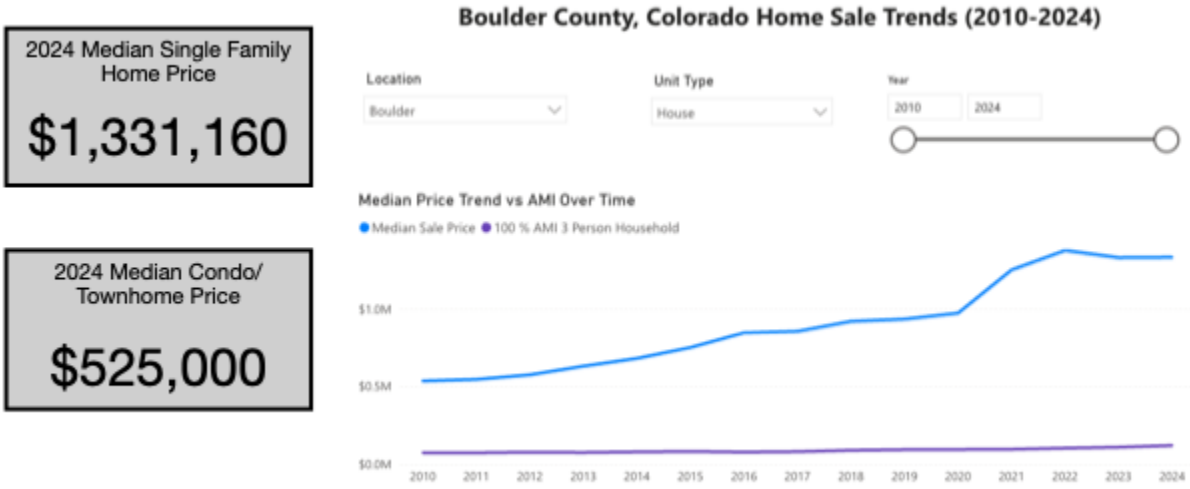


Figure 1: *Snapshot of Boulder's Housing Sales vs. Area Median Income (AMI)*

DRCOG estimates that Boulder will need approximately 10,700 new housing units by 2032 to stabilize prices and meet demand, including 9,000 affordable homes for households earning less than the area median income (AMI) (note: data and projections for this report were current as of January 2026).

Middle-income renters earning 80-120% AMI currently are not finding homes they can afford to buy that also meet their needs in Boulder. In this income range, a family of four with a household income of between 80-120% AMI, or $120,480 to $180,720, often must leave Boulder to buy a home. Households in this range (and in all AMI ranges) also include families without school-age children, unrelated young adults, older retired people, and other renters who would like to own homes but are locked out because 1) homes in Boulder are too expensive and 2) they can't find the type of housing that meets their needs. The vast majority of homes that middle-income households could buy are multifamily apartments or condos with one or two bedrooms, and many of those are unaffordable.

Many of these households, especially families with children, are looking to buy a single-family three-bedroom two-bath home with a yard. But in Boulder, the cost to build that single-family three-bedroom two-bath home can range from $500,000 to over $1 million. Continually rising construction costs, currently ranging from $400 to $1,000 per square foot, mean that even a modest 1,200-square-foot home of this type is out of reach. In Boulder, the high cost of land plus construction costs and the architect and developer or builder fees, means these homes typically cost more than $1 million.

Cost is one reason an estimated 60,000 daily Boulder in-commuters live in neighboring communities, where land is less expensive, construction regulations and fees as well as real estate taxes are lower, and homeowners often get a bigger house and yard. In Erie, for example, single-family three bedroom two-bath homes are selling for $550,000.

Another key factor in Boulder's lack of available and attainable middle-income homes is the city's lack of more diverse lot sizes and housing types. The majority of Boulder's residential lots are zoned for single-family homes. Boulder also offers few missing-middle housing types that might appeal to middle-income households, such as attached townhouses, duplexes, triplexes, fourplexes, stacked flats, cottage courts, and cohousing communities. The need for a greater variety of housing types aligns with the Boulder Valley Comprehensive Plan (BVCP) commitment to "a diversity of housing types and price ranges." These options would be well-received in the city: A 2023 survey for the BVCP indicated that 8 in 10 respondents supported allowing more diverse housing types in more areas of the city, especially duplexes and cottage courts for lower-density neighborhoods, as well as duplexes in areas previously restricted to single-family homes. Some 70% supported townhomes and multiplexes in single-

family neighborhoods. Some cities have reduced lot size and increased density to allow for missing-middle housing types; in 2020, Portland, Oregon, approved lots of 2,500 square feet in residential zones, allowing up to four homes, and results indicate more missing-middle housing.



Figure 2: *Missing Middle Housing concept created by Daniel Parolek/Image ©Opticos Design, Inc./For more info visit www.missingmiddlehousing.com*

Breakout Discussions



The attendees split up into four breakout groups to focus on various challenges to middle-income homeownership.

Breakout Group 1 addressed: What changes can be made in the broad categories of construction costs, soft costs, and/or land costs to reduce the price for middle-income homes? Participants examined building new and renovating older middle-income homes, including realistic costs and the market forces of building on the most common type of property in Boulder, a 7,000 square-foot lot that costs $800,000 for the land alone. The group looked at two options for redevelopment. (A third option to develop pop-tops with a unit above and below was also considered, but the cost was similar, and facilitators said the product would be less saleable).

Option 1 called for a duplex with two new units on one lot, and Option 2 called for a remodel of an existing older home and a new detached home on one lot. Each home had 1,200 square feet of space, with three bedrooms, two baths, and a one-car garage. The Option 1 cost to build was $1.4 million per home, affordable for households with incomes at 220% AMI. Option 2 homes each cost $1.2 million, affordable for households at 192% AMI. Both options far exceeded the buying power of 80-120% AMI households, who can afford to buy a home in the range of $550,000 to $875,000.

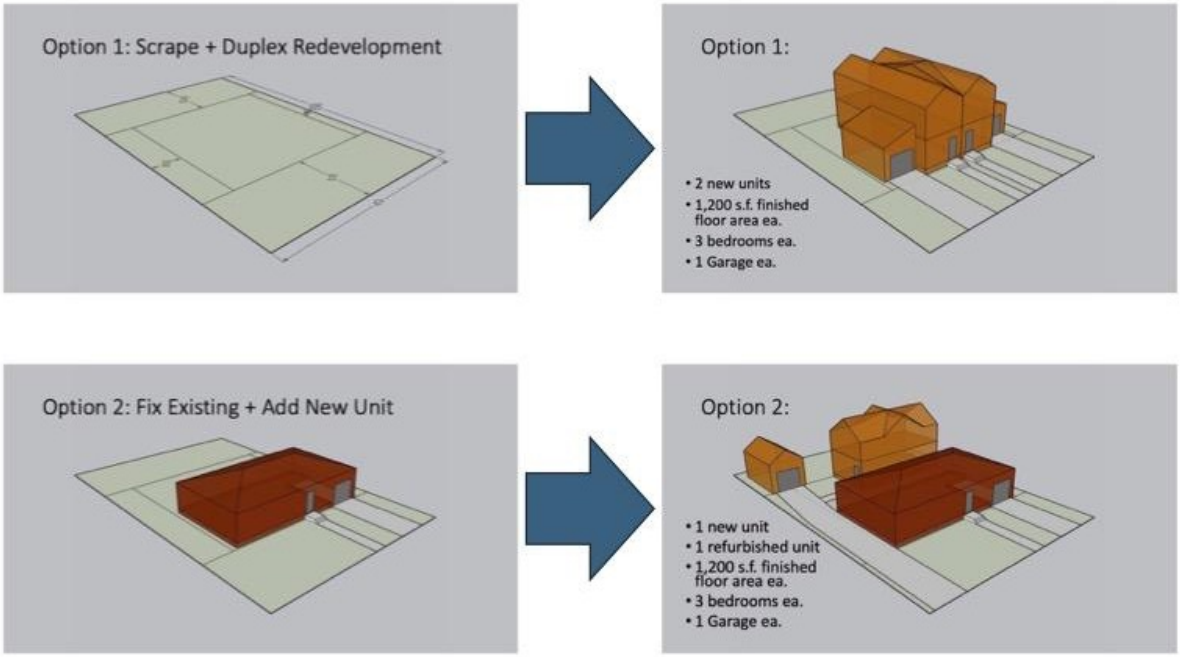


Figure 3: *Options Examined in Breakout Group 1*

Breakout Group 2 addressed: What can be done to help increase the buying power of families or to subsidize the total cost of a home? Participants offered examples of lowering total costs to develop housing by using less expensive materials and manufactured house components. One architect/builder noted their firm had recently built a 1,200-square-foot three-bedroom two-bath home in Gunbarrel for under $460,000 without land costs and fees. And another participant said the city was building manufactured homes for the Ponderosa neighborhood for less. Several participants noted that reducing Boulder's extremely high regulations and construction standards would help lower total construction costs considerably.

Breakout Group 3 addressed: What can change in the way land is zoned and projects are entitled and incentivized? Group 3 reviewed land-use regulations, zoning, process improvements, concept review, site review, discretionary reviews, ADUs, co-ops, and manufactured homes.

Breakout Group 4 addressed: What has worked elsewhere? What public financing, regulations, and laws/policies are opportunities and what are roadblocks? What can we advocate for? The group discussed the city's 60,000 in-commuters, and advised asking them: What do you need to be part of this community? Securing housing for many of the in-commuters would decrease congestion and the city's carbon impact from vehicles. Participants advised Boulder to look at peer cities, be willing to try new things, recognize the urgency, and act now.

General Agreements

Given the city's circumstances, is it even possible to build homes in Boulder that middle-income households can afford to buy? Many workgroup participants said yes, but only under specific circumstances, such as building on public land to reduce costs. Some said new home construction was too costly, and the city should also examine the costs and benefits of renovating older and smaller homes that could be affordable as starter homes. Across the breakout sessions, participants agreed that focusing on new and innovative ways to develop more housing for middle-income households was an important and feasible goal. In one breakout session participants agreed the city must ensure that middle-income attainable homes are developed for the sake of "the soul of the city."

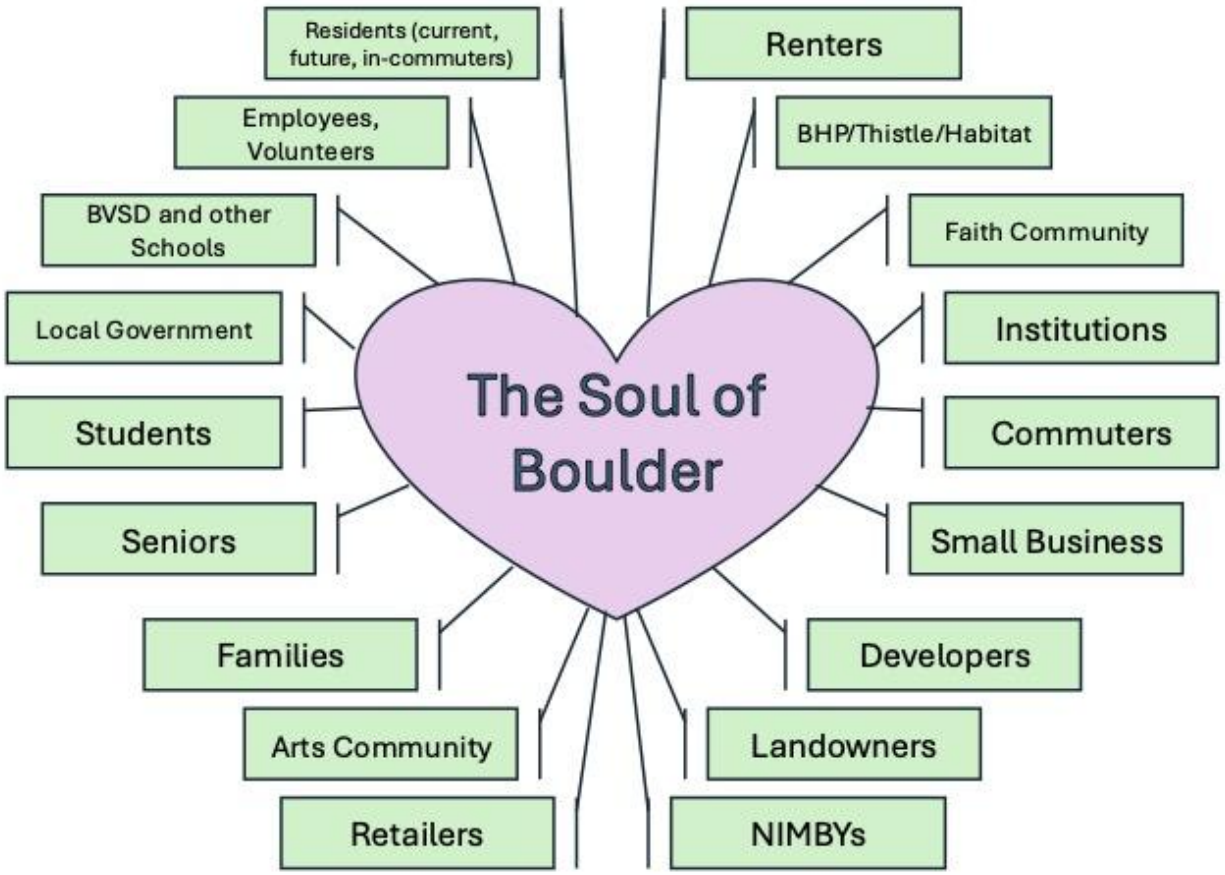


Figure 4: *Brainstorming Session on the Affordable Middle-Income Housing Stakeholders*

Middle-Income Housing Solutions and Next Steps

Better Boulder's workshop sessions for middle-income housing produced the following solutions and next steps to encourage production of more homes within the affordable range for 80-120% AMI households:

Question Assumptions

- Seek more data, including demographics on who is leaving Boulder and why. Survey middle-income renters seeking for-sale housing, businesses losing and trying to hire employees, the Boulder Valley School District leadership on declining enrollments and employees leaving, and other stakeholders to understand the key factors in out-migration. Ask in-commuters: What do you need to be part of this community?
- Rethink housing and ask: Why are younger generations moving out? What are younger people and older long-time residents needing? Why are service-sector employees not living here?
- Imagine housing in context: Why are people taking advantage of housing that is attainable, like a two-bedroom condo? Is that strictly based on location, affordability, or other factors? What are younger people and older long-time residents needing?
- Housing doesn't have to be hyper-local. Prioritize regional collaboration with local, county, state, and federal housing officials, and search for examples elsewhere where cities have re-imagined basic needs for housing, transit, and food.
- Carefully track the inventory of privately and publicly owned properties that are ripe for redevelopment (both within the city or candidates for future annexation). Allocate resources to understanding what

opportunities for middle-income housing types exist and start dialogs with the property owners to ensure that opportunities are not missed.

Change Zoning

- Adopt the Denver model of a property split for use by-right for fee-simple ownership.
- Expand the areas where duplexes and triplexes can be built by-right on all properties, rather than just those within 350 feet of a transit corridor.
- Reduce minimum lot sizes and allow for greater density, especially along transit corridors and near transit nodes.
- Reduce setbacks, relax or remove solar shadow restrictions, and simplify all process requirements.
- Make it easier to create housing like the Poplar Project model of small cottages on a single combined lot.
- Encourage shared living arrangements, such as co-owned homes, clustered smaller homes with shared yards, and cohousing with individual living units adjacent to shared community space and land.
- Consider rezoning infill land to use industrial sites, employer-owned commercial properties, vacant office buildings, and agricultural areas that could be converted for housing.

Change Regulations, Permitting, and Other Policies

- Reduce the financial risk for developers with a simplified set of regulations and a shorter, more straightforward permitting and review processes for building middle-income homes. Eliminate requirements, especially discretionary review. Focus on getting the most important things right: creating a set of rules that developers, home builders, and architects can submit and be assured of getting a permit.
- Explore streamlined permitting and fee waivers for the development of affordable middle-income homes.
- Eliminate the Inclusionary Housing fee and other city-controlled fees for developing houses under 1,500 square feet. (Pushback on this from some participants focused on the negative potential impacts on vulnerable populations of reducing fees that support affordable housing for households that earn less than 80% AMI.)

Reduce Land Costs

- Adjust the land-use code for greater flexibility to provide diverse housing and to respond to economic conditions. Provide support for upcoming Title 9 changes.
- Develop permanently affordable middle-income homes in Boulder's Area III Planning Reserve and on other city-owned land. Use a recent inventory of city-owned properties to identify possible infill housing sites, targeting those adjacent to transit and services. Plan for income-restricted 15-minute communities on city land. Consider strategic land purchases for housing.
- Consider development on public lands managed by Boulder County, the Regional Transportation District (RTD), and state and federal agencies to accommodate housing with mixed uses, especially in transit areas.
- Look for opportunities with private landowners to allow for development of attached or stacked housing with shared yards. Sites could be large vacant lots or parking lots, school or faith community land, or a retail strip that needs redevelopment.
- Work with faith-based communities to build homes for community members. (Note: The HOME Act has passed the Colorado House and is currently being considered in the Senate.)
- Work with schools and institutions like BVSD to build housing on their land (like the Twin Lakes effort).
- Encourage land trusts to eliminate land costs and offer land leasing agreements to help lower the total cost of building homes.
- Encourage shared housing arrangements, such as co-housing and clustered smaller homes with shared yards to use land more efficiently and lower the cost for housing.

Reduce Construction Costs

- Adjust the city's quality standards to allow for more affordable materials and procedures in building homes. Reduce the tendency toward perfectionism.
- Encourage developers to offer a home product that is less than what the city has considered the minimum standard (example: eliminate garages).

- Reduce costs and barriers with prefabricated home components and expand capabilities for manufactured housing beyond what is currently being produced by the city for the Ponderosa neighborhood.

Find New Ways to Fund

- Consider deed restrictions for permanently affordable for-sale middle-income homes.
- Provide subsidies for for-sale middle-income housing.
- Use Proposition 123 state subsidies for down payment assistance for middle-income home purchases.
- Explore new revenues including a surtax on high-value homes, options allowable under TABOR, and real estate transfer taxes (currently not allowed under TABOR).

Change the Narrative

- Rally support for greater density and tap into support from the silent majority to counter opposition from the vocal minority. Show positive examples of well-designed density. Holiday and Prospect were innovative, have low vacancy rates, and have become community hubs.
- Develop public-private partnerships with the city, county, local nonprofits, and the private sector.
- Reframe the housing product and expectations. People like Holiday and sharing yards, so consider a tagline with humor: “Attainable housing in Boulder: It’s not for everybody.”

Ideas Into Action

Better Boulder Middle-Income Housing event participants agreed that many people want and need to live in Boulder, and while we can’t solve this problem for everyone, we can and should solve for some. Participants also expressed the idea of rethinking ownership entirely, not just housing for families, but housing to build community, including co-ops and group living. Land is at a premium in Boulder, and using land efficiently to house people can also benefit the cohesiveness and health of our community. A long-term challenge will be educating younger people about more sustainable and community-oriented ways of living. The city needs to keep an eye on coming changes, perhaps in the near future, when more people might prefer car-free living and smaller and shared homes. As a community, we are well on our way to a time when we--especially younger generations--will need to adopt a different way of living. This will require a culture change, and policymakers can lead the city to new values that support more shared housing and land. This may take time, but we can begin to make those changes now and work toward solutions that will make our community more inclusive and resilient.

Better Boulder offers our policy paper and this summary from our middle-income housing event to encourage Boulder to be bold in trying new and innovative approaches. We’re encouraged by examples of Boulder’s most attractive and successful shared spaces—places like Holiday, Prospect, and the Poplar Project, which have a variety of well-designed missing-middle-type homes and common spaces. Use Better Boulder as a resource and work with urgency on a plan for the city’s future with middle-income housing.

Event Participants

State of Colorado
Theresa Cassano, Colorado Director of Housing Finance and Sustainability, Peter Lifari, Chair, Colorado Middle Income Housing Authority

SWEEP
Max Nardo

Boulder County Commissioner Marta Loachamin

Boulder County Planning Commissioner Gavin McMillan

Boulder City Council
Aaron Brockett, Mayor, Taishya Adams, Matt Benjamin, Rob Kaplan, Ryan Schuchard, Mark Wallach, Tara Winer

Boulder Planning Board
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References

- Read the Better Boulder position paper "Creating Middle Income Housing in Boulder" from June 2025
- Watch the TedX talk "TEDxBoulderSalon: Boulder's Housing Myths" from October 2025

From Creating Middle Income Housing in Boulder:

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