



FREQUENTLY ASKED QUESTIONS: AFFORDABLE HOUSING

Does Broomfield require affordable housing with new residential developments?

In 2020, the Broomfield City Council approved Ordinance 2100 requiring most new residential development proposals to pay an Inclusionary Housing Fee - often referred to as an Affordable Housing Fee.

Why is an Inclusionary Housing Fee required?

Inclusionary housing is intended to:

- Provide funds for and to promote housing that is affordable or accessible to the community's residents and workforce;
- Maintain a balanced community by creating opportunities for people of all income levels to live and work in the city; and
- Ensure that housing options continue to be available for low income, moderate income, and middle income residents, for retired seniors and special needs populations, and for a significant portion of those who work or live in the city.

What types of new construction require inclusionary housing?

A fee is required for:

- For-Sale Housing - Including new residential construction projects incorporating 25 or more dwelling units marketed as "for-sale" and
- Rental Housing - Including new residential construction with more than three units marketed primarily as "rental" housing.

How are the fees determined for a project with various housing types?

In developments with a mix of unit types or bedrooms, the fee is calculated using the proportionate share of both unit type and bedrooms within the overall development.

When is the fee required to be paid?

The fee must be paid prior to obtaining the first residential permit for construction in the subdivision.

Are there other options available to satisfy this requirement?

Yes, there are alternatives to paying the fee. One may voluntarily agree to any of the following:

- (A) Providing on-site affordable units in accordance with BMC Section 17-76-040.
- (B) Donating land to the city, in size and location, approved by the city in accordance with BMC Section 17-76-050.
- (C) Developing an alternative agreement in consultation with the Broomfield Housing Authority with approval of the agreement by City Council.
- (D) A combination of the above.

Are there any incentives for providing on-site affordable units?

A portion of certain development fees may be waived and a rebate may be possible for certain use taxes. These are reserved for developments that provide on-site units.

REQUIRED FEES

Fee for new construction of "for-sale" homes:

For-sale residential developments have an inclusionary housing obligation equivalent to 10% of the overall number of units proposed at 80% of the Area Median Income (AMI). The fee obligation for the 10% of the units is calculated as follows:

The greater of (1) or (2) for each dwelling unit:

- (1) \$50,000; or
- (2) The difference between the estimated final sales price of a market rate unit and the final sales price of an affordable unit* multiplied by .67%

Fee for new construction of "rental" units:

For-rent residential developments have an inclusionary housing obligation equivalent to 20% of the overall number of units proposed at 60% of the AMI. The fee obligation for the 20% of the units is calculated as follows:

- (1) 0 bedrooms = \$25,000
- (2) 1 bedroom = \$27,000
- (3) 2 bedrooms = \$32,250
- (4) 3+ bedrooms = \$37,250

All rates will be updated annually. A sample calculation is provided on the following page.

SAMPLE CALCULATIONS

Residential Developments with For-Sale Housing Units

A development of 300 new “for sale” three-bedroom residential units with a market price of \$420,000 and an affordable price of \$320,000 would pay an inclusionary housing fee amounting to the greater of:

(1) $\$50,000 \times 30 \text{ Units} = \$1,500,000$

or

(2) Total Units = 300
100% are three-bedroom units

Affordable Units Needed = 10% of 300 units = 30 units

Market Sales Price: \$420,000
Affordable Price (80% AMI) = \$320,000

Cash-in-lieu Obligation:
 $(\$420,000 - \$320,000) \times .67\% = \$67,000 \text{ per unit}$
 $\$67,000 \times 30 = \$2,010,000$

Total Obligation: \$2,010,000

Residential Developments with Rental Housing Units

A development of 100 new “rental” units containing 50 one-bedroom and 50 two-bedroom units would pay an inclusionary housing fee of:

Total rental units: 100
50% one-bedroom units
50% two-bedroom units

Affordable Units Needed: 20% of 100 units = 20 units
One-bedroom = $20 \times 0.5 = 10$ units
Two-bedroom = $20 \times 0.5 = 10$ units

Cash-in-lieu Obligation:
 $10 \times \$27,000 = \$270,000 +$
 $10 \times \$32,250 = 322,500$

Total Obligation: \$592,500

CONTACT INFORMATION

For questions or to receive additional information in regards to affordable housing requirements please contact the Planning Division or Housing Department:

- **Development Review Questions -**
For additional information regarding a development review application and the review process, please contact the Planning Division at planning@broomfield.org or by calling 303-438-6284.
- **Housing Program Questions -**
Please contact the [Housing Department](#) for additional information regarding housing programs in Broomfield.

DISCLAIMER

This document is intended to provide a brief explanation of the Inclusionary Housing regulations in the City and County of Broomfield. Due to space limitations, only select portions of the Broomfield regulations have been included here. This brochure should not be relied upon as a final source of information. Always refer to the Broomfield Municipal Code (BMC) to get complete and up-to-date information concerning Broomfield’s regulations. The full regulations can be found in Section 17-76 of the Broomfield Municipal Code. (FAQ: April, 2020)