



**Workforce Housing Policy**  
*Building vitality in Boise's downtown*

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**Introduction:**

In 2003, the Capital City Development Corporation (CCDC) Board of Commissioners launched the Urban Housing Initiative to increase the supply of living opportunities in downtown Boise. This initiative included commissioning:

- Boise Downtown Housing Analysis in 2003<sup>1</sup>
- Downtown Housing Design Workshop in 2003<sup>2</sup>
- Downtown Boise Housing Study in 2004<sup>3</sup>

The CCDC Board has also identified housing development as the current focus of its 2005-2015 Business Strategy. Housing is viewed as having the greatest leverage to achieve the agency's goals for redevelopment in downtown Boise.

CCDC is Boise City's urban renewal agency, and these actions demonstrated the CCDC Board's conviction that increasing the housing supply in downtown Boise is key to fulfilling the agency's adopted mission, which states in part:

As directed by Idaho statute and the Boise City Council, the Capital City Development Corporation facilitates the long-term economic vitality and social well-being of the Boise community by creating high-quality, vibrant urban environments and a versatile, modern infrastructure in downtown and its surrounding neighborhoods. This unique role is accomplished both independently and through collaborative partnerships with public agencies and private entities. CCDC focuses on master planning, implementation of revitalization initiatives, investment of its financial resources, construction of public facilities and infrastructure, property management and community-wide advocacy and education to create well-designed and walkable urban places primarily in downtown but also in surrounding urban neighborhoods.

Over the last three years, CCDC has worked to alert the development community—property owners, developers, design professionals, lenders and appraisers to the strong possibility that urban housing will flourish in downtown Boise and the development community has responded. Three years ago, there was one housing proposals active in downtown Boise—Civic Plaza Apartments. In the intervening time, developers have submitted plans for over 400 housing units on 12 sites for Boise City. Of that 400, 112 units are under construction. The increasing momentum on the housing front has brought new issues to light.

- How does housing relate to CCDC's ability to achieve its redevelopment goals?
- What types of housing will best support CCDC's mission and implementation of the urban renewal plans?
- Are there gaps between the types of housing proposed in the urban renewal districts and the types of housing needed to achieve a vibrant and prosperous downtown?
- Is intervention by CCDC needed to close these gaps?

- To what degree can CCDC support and promote housing development, how can CCDC's redevelopment tools be applied and how does housing fit in the agency's priorities.

Idaho State Code lists the powers granted to urban renewal agencies but is not specific about such agencies participating financially in housing development. The State Code does state that the "the provision of housing accommodation" is legal and necessary for urban redevelopment and revitalization.

**Purpose of Policy:**

This policy establishes that the provision of workforce housing is a public good, and that when CCDC advocates, facilitates, supports and invests in workforce housing, it is engaged in a public good. It examines the dynamics of the downtown housing market; socioeconomic dynamics in downtown Boise and the region; and the contribution made by housing to CCDC's ability to meet its vision and mission and implement adopted urban renewal plans. It concludes by describing why workforce housing deserves particular attention and why it is the subject of this policy.

The appendix includes the tables and charts referred to in the text of this policy.

**A. Dynamics of Downtown Housing Market:**

1. There are four sectors in the downtown housing market in terms of buyers and renters, income and buying power, price and rent ranges and housing affordability. These are: affordable, workforce, market rate and luxury housing units. In summary, the definition of these sectors in terms of income are as follows:

- Affordable: 80% of area median income or less
- Workforce: 80%-140% of area median income
- Market Rate: 140%-260% of area median income
- Luxury: 260% + of area median income or more

A more detailed discussion of these sectors appears in Table 1 on page 8.

2. For the most part, existing housing units in downtown Boise are either affordable rental units or luxury ownership units. There is a shortage of workforce and market rate rental and ownership units to meet the estimated demand for downtown housing.
3. The urban housing initiative has resulted in over 400 units either in the pipeline awaiting submittal to Boise City, under review by the City or under construction (see Table 2 on page 8). (These are referred to as planned units in this policy.)
4. The existing and planned units (as of Jan 2006) in Boise's downtown urban renewal districts are distributed by sector as shown in Table 3 on page 9. Of the total for both existing and planned units, 46% are in the affordable sector and 38% are in the market rate or luxury sectors, with only 17% in the workforce sector. Eighty-nine percent of the total workforce units are rental; only 11% are for-sale units. The 20 for-sale workforce units are only 2% of the total housing supply for downtown. The data demonstrates that, even with new units coming on line, there is a sizeable gap in a critical sector for the downtown economy: housing that is affordable to people working in many types of downtown jobs. (see also B.3 below)
5. If only planned units are considered, affordable housing units and workforce housing units comprise 12.5% each. Market rate and luxury equal 75% of the remainder.
6. If this trend continues, the gap between the need for housing in the affordable and workforce sectors will lag farther and farther behind the demand.
7. Past experience and current trends indicate that normal market dynamics will produce market rate and luxury housing choices.

8. Federal housing programs exist that support the provision of affordable housing choices, and downtown Boise has 463 units or 41% of its housing supply that have received assistance from these programs.
9. It is difficult to produce workforce housing in downtown Boise because of lack of track record, which makes financing more difficult, higher land costs, complicated logistics and more expensive parking options in comparison to outlying areas. There is also a tendency for developers to produce market rate or luxury rather workforce housing because these sectors have higher profit potential.

## **B. Socio-Economic Dynamics in Downtown and Region**

1. Downtown Boise has the largest concentration of employment in the State of Idaho—approximately 40,000 jobs.
2. This workforce includes a significant number of jobs that pay annual incomes in the workforce range. (see Table 4 on page 9)
3. Jobs that pay in the workforce range include many occupations that provide essential government or human services such as police and fire personnel, building inspectors, teachers, health care support, health technologists and technicians, registered nurses, counselors, social workers and social service specialists. They also include individuals in creative, professional or service occupations essential to the downtown economy including accountants, advertising managers, engineers, surveyors, appraisers, architects, landscape architects, urban planners, graphic designers, construction trades, lodging managers, food preparation and food and beverage service workers, hair stylists and human resources managers.
4. There is a significant gap between the number of households with incomes in the workforce range and the number of downtown housing units affordable to these households.
5. The residential choices in the neighborhoods immediately adjacent to downtown Boise typically have higher cost housing options than in outlying neighborhoods and communities.
6. In Ada County the median home price is outpacing the median income, as shown in graph 1 on page 10.
7. When affordable workforce housing is not available in close proximity to where these employees work, the following results are likely to happen:
  - a. Employees will have to commute between where affordable workforce housing is available and their job. Commute distances will grow longer as downtown and close-in housing becomes more expensive.
  - b. Movement of workers to the urban fringe to find affordable housing will cause more rapid consumption of greenfield sites and prime agricultural land, and increasing costs for government services and public infrastructure.
  - c. As commuting distances lengthen, traffic congestion and air pollution in the region become worse and more public resources are used to build and expand roads.
  - d. Commuters must bear the cost of higher fuel and maintenance costs for automobiles.
  - e. There may be costs to businesses when employees commute long distances from employees' higher absenteeism and stress-related illnesses.
  - f. Quality of life deteriorates for commuters and for the citizens of the Treasure Valley in

general.

8. The influx of new residents from much higher-priced housing markets in the southwest and from the coasts is driving housing prices upward and causing them to outpace wage increases in the Treasure Valley. Investors from out of the area are focusing on the Treasure Valley as a place to buy blocks of housing units in hopes of profitable returns when they sell. Both of these trends are reducing the supply of workforce housing close to employment centers and driving workers to seek affordable housing on the fringe of the Boise metro area.

### **C. Contribution of Housing to Achievement of CCDC Vision, Mission & Urban Renewal Plans**

1. The master plans for Central, River Myrtle-Old Boise and Westside Downtown districts envision downtown as an urban center with a high concentration of employment, urban housing, health care, shopping, entertainment, cultural and educational activity served by transit, and where walking and bicycling are practical alternatives to the automobile. A sizable supply of housing is essential to achieving this vision.
2. The master plans for Central, River Myrtle-Old Boise and Westside Downtown districts emphasize the importance of including housing in the land use mix in downtown. The River Myrtle-Old Boise and Westside Downtown plans identify areas for the development of new, urban neighborhoods so downtown will become a place where people live as well as work, play and learn. River Street, Parkside and Eastside neighborhoods are noted as areas where the erosion of existing residential needs to be reversed and more housing added.
3. Increasing the number of households living in downtown Boise makes it safer and more vibrant in the evenings and on weekends. Having more people living in downtown has the potential for reducing public safety costs if people create a sense of community and help each other to keep downtown safe.
4. A national survey has shown that people who live in downtowns support retail activity at 20 times the rate of office workers, if desired shopping options are available, thus promoting a more vigorous level of economic activity and more prosperous businesses.
5. More people living downtown lend greater support to restaurants, arts, entertainment and other cultural activities, which in turn adds to the attractiveness and competitiveness of downtown as a destination for the community and the region.
6. Concentrating higher density housing close in downtown Boise increases the potential that transit, bicycling, walking and other alternative transportation modes will be used in downtown.
7. CCDC has a long standing commitment to investing in downtown that reflects the common wisdom that keeping downtown healthy is essential to the prosperity of Boise and the broader region. Maintaining downtown Boise as the heart of the region for business, government, education, culture and entertainment is one of the fundamental goals of CCDC. Assuring that downtown is desirable as a place to live is just as important as it being a desirable place to work, play and learn.

### **D. Workforce Housing Deserves Focus**

1. Of the 43,000 employees in downtown Boise, a significant number earn salaries between \$32,240 - \$57,420 annually, which is in the workforce range.
2. It is unlikely that workforce housing will be developed to any great degree in downtown Boise without intervention from the public sector, due to cost of development, market pressures on housing prices and the higher profit potential from market rate and luxury residential.

3. See B. 7. for reasons why providing workforce housing in close proximity to employment centers is beneficial. They are summarized here: reduces commuting, traffic congestion and air pollution; the demand for development of greenfield sites and agricultural land on the fringe of the metro area; the need to expand or build new roads and other public infrastructure, the cost of fuel and maintenance for automobiles and lessens stress and improves the quality of life for workers and Treasure Valley residents.
4. One of the goals of the Boise Smart City Initiative, launched by the Boise Mayor's Office and CCDC in 2000, is to create a vibrant urban center in downtown Boise where there is a lively mixture of housing, workplaces, restaurants, retail, cultural and educational activities and social spaces.<sup>4</sup> The vision for this urban center includes a rich intellectual and cultural environment that attracts talented people and sparks creativity and innovation. It is a place where new economy companies will sprout, grow, and add to the economic prosperity of Boise and the region. This vision needs full time, engaged residents, not only investors and second-home buyers.
5. The community leaders working on the Boise Smart City Initiative saw housing as a key ingredient in turning downtown into a place where the emerging creative class will want to live, work and create. They urged CCDC to use its redevelopment tools to assure that a range of housing options was included in the downtown urban fabric, and to prevent housing from being squeezed out by other uses.
6. A recent series on the Cool Town Studios website published data showing that the "young and the restless," often in creative professions such as artists, musicians, authors, film designers, inventors and people working with technology are much more likely to live in or near downtown than other demographics. New economy companies are seeking this workforce. If downtown is to become a draw for new economy companies, it needs to include housing options that are attractive and affordable to the creative workforce, i.e. workforce housing.
7. Successful downtowns include residential neighborhoods with a wide range of housing types, rents and prices. These types of neighborhoods promote diversity among downtown residents that in turn promote vitality and character. To build vitality, downtown must have housing choices that are affordable to a wider range of people.
8. The market study conducted by Leland Consulting Group in August 2003 confirms the demand for workforce housing. The study reports 60.9% of the ownership demand in the Boise MSA stems from households earning between \$35,000 and \$74,000. Similarly, 68.7% of the rental demand in the Boise MSA is from households earning between \$25,000 and \$49,999 and 89.9% of the rental market earns between \$25,000 and \$74,999. (See graphs 2 & 3 on page 11).
9. Boise is not the first to recognize that the availability of workforce housing affects the long-term prosperity of a region as this excerpt from the National Governors Association Center for Best Practices suggests:

Governors recognize that the long-term prosperity of a state depends on its success in attracting and retaining an educated workforce, creating an environment that supports economic growth while maintaining natural amenities, and creating healthy and vibrant communities in which residents can afford to live. The housing challenges facing states and communities are connected to a variety of other issues such as transportation. The vast majority of families in the United States now spend more than half of their incomes on housing and transportation expenses, their largest two expenditures by far. High housing costs are forcing many families to live far from their place of employment or in neighborhoods with few amenities or necessary services. With employees struggling to make ends meet, employers are finding it difficult to retain a quality and stable workforce. (Strategies for Coordinating Housing and Economic Development, February 2, 2005 by National Governors Association Center for Best Practices).

## **E. Workforce Housing Policy**

1. It is the policy of the CCDC Board of Commissioners that provision of workforce housing in the Boise urban renewal districts is a public good, and that when CCDC advocates, facilitates, supports, partners and invests in the creation of workforce housing, it is engaged in a public good. (Workforce housing is defined as rental and ownership that is affordable to households earning between 80% and 140% of the annual median income for the Boise MSA, with adjustments for household size. A housing unit is affordable if the monthly payment or rent is 30% or less of the household's monthly income.)
2. The CCDC Board of Commissioners finds that intervention by CCDC as a public agency is necessary in order to create a supply of workforce housing in downtown Boise (see Section D. 2). Subsequent to adoption of this policy, CCDC will develop priorities for allocation of its resources and will determine the type and level of support to provide to workforce housing programs and projects.
3. The CCDC Board of Commissioners finds further that provision of workforce housing in the urban renewal districts is a powerful tool for achieving the agency's vision and mission and for implementing the urban renewal plans, which were adopted for the benefit of the public good and that focused attention should be given to the development of partnerships and programs designed to produce workforce housing (see Sections C and D).
4. CCDC Board finds that there are Benefits derived by the general public when affordable housing is available to workforce households in close proximity to their jobs. These benefits are described in Section B.7.

**Appendices:**

<b>TABLE 1: Defined Income Ranges</b>					
Sector	Percentage of Median Income Earned by Households in Category	1 Person HH	2 Person HH	3 Person HH	4 Person HH
	2005 Boise MSA Median Income	\$40,300	\$46,000	\$51,800	\$57,550
<b>INCOME</b>		<b>Household (HH) Income by Size of HH</b>			
Affordable	80% or less	\$32,240 or less	\$36,800 or less	\$41,440 or less	\$46,040 or less
Workforce	80%-140%	\$32,240 to \$56,420	\$36,800 to \$64,400	\$41,440 to \$72,520	\$46,040 to \$80,570
Market Rate	140%-260%	\$56,420 to \$104,780	\$64,400 to \$119,600	\$72,520 to \$134,680	\$80,570 to \$149,630
Luxury	260% or more	\$104,780 +	\$119,600 +	\$134,680 +	\$149,630 +

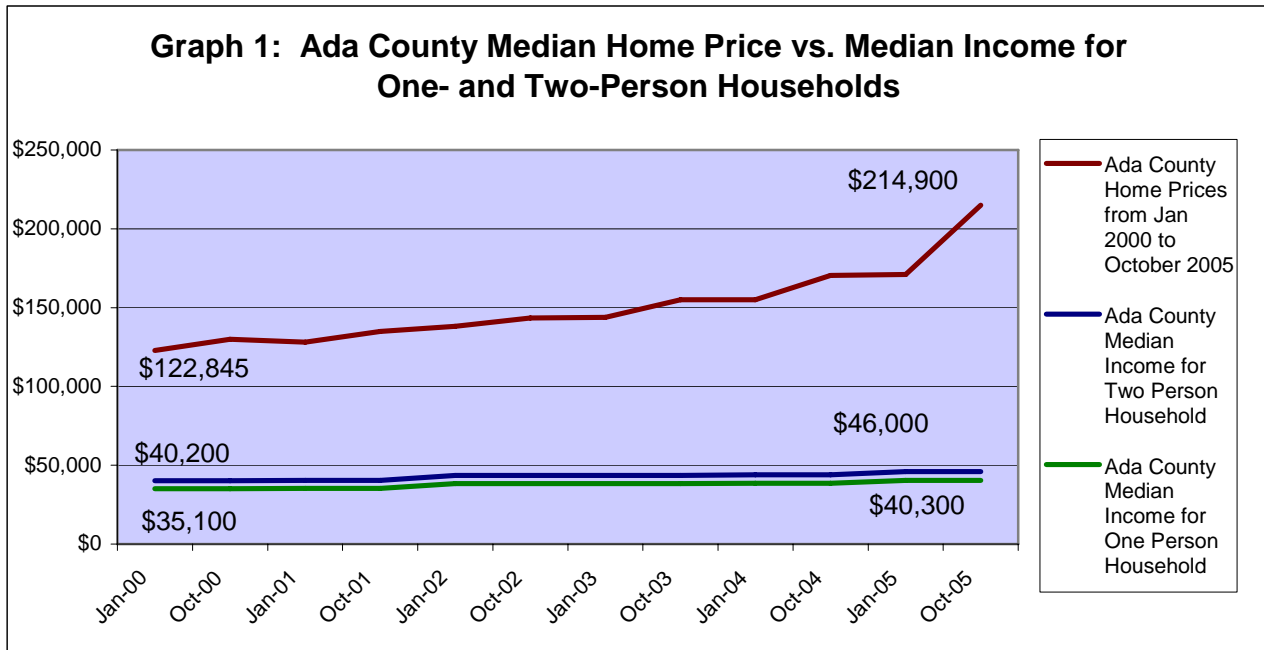
<b>TABLE 2: Downtown Boise Urban Housing Analysis</b>	
<b>HOUSING PROJECTS UNDER CONSTRUCTION</b>	<b>Unit Count</b>
CitySide Lofts – 13 <sup>th</sup> & Myrtle	77
Royal Block – 11 <sup>th</sup> & Main	26
Gem Building – Main between 10 <sup>th</sup> & 11 <sup>th</sup>	9
O.S. Smith Building Lofts – 8 <sup>th</sup> & Myrtle	11
Peasly Transfer and Storage Building – 8 <sup>th</sup> between Myrtle and Broad	8
<b>Subtotal</b>	<b>131</b>
<b>HOUSING PROJECTS IN PROCESS</b>	
Southers – 15 <sup>th</sup> & Idaho	90
NHS Townhouses – 15 <sup>th</sup> & Grand	20
Shilo Condominiums – 5 <sup>th</sup> & Broad	32
Clark – 4 <sup>th</sup> & Jefferson	42
Capital Terrace Apartments – 8 <sup>th</sup> Street	81
Aspen – Front between 8 <sup>th</sup> & 9 <sup>th</sup>	70
<b>Total</b>	<b>452</b>

<b>TABLE 3: Existing, Under Construction &amp; Planned Units by Sector</b>							
Sector	Rent Range	Price Range	EXISTING UNITS (in urban renewal districts)		UNITS UNDER CONSTRUCTION OR PLANNED		Total
			Rental	For-Sale	Rental	For-Sale	
Affordable	\$265-\$806		463		51		514
Workforce	\$806-\$1,411	\$100,000-\$190,000	138	0	30	20	198
Market Rate		\$190,000-\$360,000		92		335	379
Luxury		\$360,000+		29		26	55
<b>Total</b>			<b>601</b>	<b>121</b>	<b>81</b>	<b>381</b>	<b>1178</b>
			= 722		= 464		

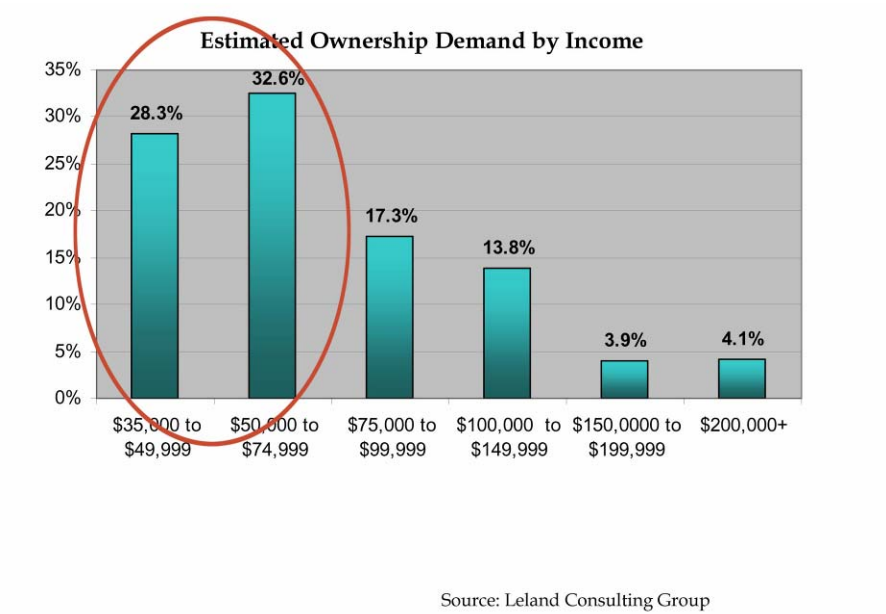
<b>TABLE 4: Median Income and Number of Workers for Sample Occupations Earning Less than \$57,000.</b>		
Occupation	Median Income	Number
Occupations that typically have incomes at or below 80% of the median income		
Food & Beverage Service Workers	\$13,603	9,200
Food Preparation & Serving-Related Occupations	\$14,393	16,960
Building & Grounds Cleaning & Maintenance Occupations	\$18,012	7,740
Retail Salespersons	\$18,844	7,730
Healthcare Support Occupations	\$20,800	4,770
Lodging Managers	\$21,736	80
Hairdressers, Hairstylists, & Cosmetologists	\$22,921	180
Motor Vehicle Operators	\$24,752	7,300
Material Recording, Scheduling, Dispatching, & Distributing Workers	\$25,334	5,210
Office & Administrative Support Occupations	\$25,417	39,060
Secretaries & Administrative Assistants	\$26,832	6,370
Travel Agents	\$28,620	190
Counselors, Social Workers, & Social Service Specialists	\$30,680	3,490
Supervisors, Sales Workers	\$31,116	1,860
Occupations that typically have incomes between 80% and 140% of median income		
Graphic Designers	\$31,428	250
Construction Trade Workers	\$32,302	9,400
Food Service Managers	\$32,864	330
Health Technologists & Technicians	\$34,091	4,450
Civil Engineering Technicians	\$35,526	180
Architectural & Civil Drafters	\$36,441	200
Media & Communication Workers	\$38,043	930

Advertising & Promotions Managers	\$38,625	180
Legal Support Workers	\$38,833	620
<b>Police &amp; Sheriff's Patrol Officers</b>	<b>\$39,998</b>	<b>770</b>
Appraisers & Assessors of Real Estate	\$41,100	310
Construction & Building Inspectors	\$41,100	100
<b>Fire Fighting &amp; Prevention Workers</b>	<b>\$42,265</b>	<b>130</b>
Accountants & Auditors	\$42,328	1,490
Social & Community Service Managers	\$44,512	170
Landscape Architects	\$44,886	30
<b>Registered Nurses</b>	<b>\$49,296</b>	<b>4,910</b>
Surveyors	\$50,502	170
Urban & Regional Planners	\$51,126	80
Civil Engineers	\$53,726	670
Clinical, Counseling, & School	\$54,620	130
Human Resources Manager	\$55,494	460

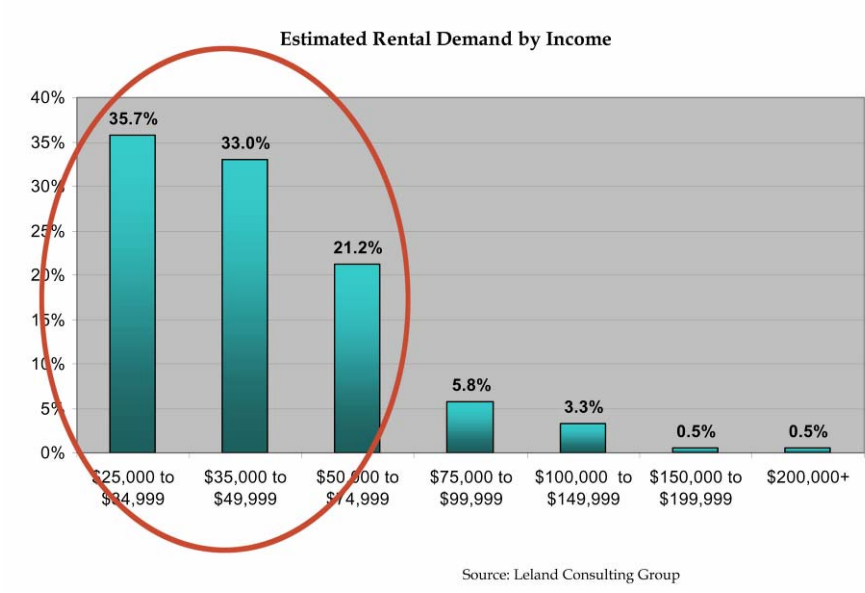
Source: Boise City MSA Idaho Occupational Employment and Wage Survey - 2005



Graph 2:



Graph 3:



## Summary of Key Terms:

### Workforce Households

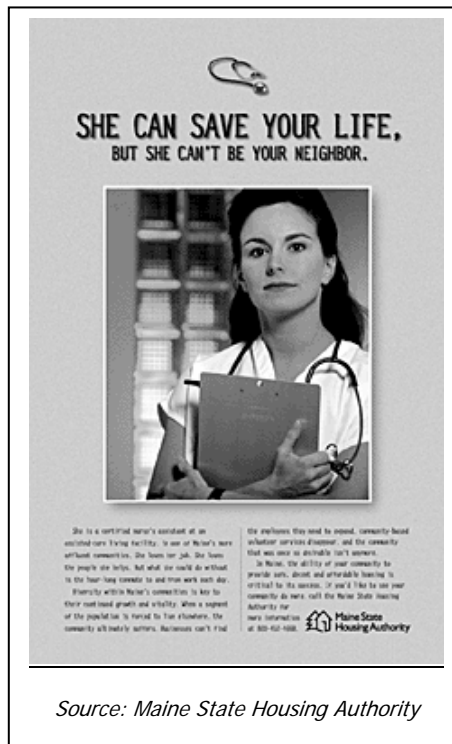
In general, households with at least one full-time worker, whose members earn incomes that are too low for them to afford to pay market prices for homes or apartments in the communities where they work but, too high to enable them to qualify for significant federal housing subsidies. More specifically for the purpose of this policy, households whose members collectively earn between 80% and 140% of the area median income.

### Workforce Employment

Generally positions earning between \$32,240 and \$56,420 annually, i.e. civil servants, police officers, fire fighters, teachers, retail sales clerks, health care professionals, office support staff, and others.

### Workforce Housing Unit

A home that is affordable to the workforce if it consumes not more than 30 percent of a household's income (consequently, a workforce housing unit is either a rental unit with monthly rent between approximately \$806 - \$1411 or a single-family home, townhouse or condominium priced approximately below \$190,000).



<sup>1</sup> The Boise Downtown Housing Analysis examined the national market for downtown housing, trends that are fueling the growing interest in downtown living options, why people move downtown, what types of households are most likely to make this choice, what they want in a downtown neighborhood and what they want in a downtown unit. This analysis also compared the characteristics of downtown Boise with four other cities where downtown housing was flourishing to determine the prospects for success in Boise. The other cities were Portland, Denver, Salt Lake City and Memphis. The fact that 62% of the households in the Boise metro area (?) are one- and two-person households, the size of the downtown Boise workforce (44,000) in comparison to the supply of downtown housing units (2,200), the presence of grocery stores, shopping, restaurants, nightclubs, entertainment and cultural attractions and grocery stores in and adjacent to downtown were key indicators that prospects were excellent for downtown housing in Boise.

<sup>2</sup> The Downtown Housing Design Workshop was a weeklong workshop focused on the subject of urban housing in downtown Boise. The workshop was composed of a team of architects, planners, landscape architects, economic development and finance specialists, several Boise-based housing developers, CCDC board members, and members of the CCDC professional staff. The strategy pursued by the members of the workshop team consisted of examining the opportunities for urban housing in downtown Boise through:

1. Evaluating and recommending clusters of future urban housing. The guiding principle was to find geographic locations in and around the downtown where “communities rather than projects” could be developed. Experience has demonstrated the need for groups, clusters of urban housing, or “pulse points of investments” in which the public realm (streets, streetscape, street furniture, landscaping, and so forth) is almost as important to the resident as the building and dwelling unit. This is place making and community building.
2. Specific examination of several areas considered “ready to go.” The 8<sup>th</sup> Street corridor between Myrtle and River streets is close to the revitalizing BoDo project, an area of mixed uses, historic buildings, street character, and other attributes. Specific planning examined how to fit multiple projects into this environment, determining necessary parking, the quality of streetscape, and other features that will reinforce successful implementation of multiple projects at the same time.

<sup>3</sup> The Downtown Boise Housing Study was a consumer survey to assess the level of interest among Boise and Ada County residents and downtown workers in living in downtown Boise. A research firm was used to design the

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questionnaire and to conduct a telephone survey of Boise and Ada County residents that yielded a scientific sample of 600 households. From this sample, the research firm estimated that 5,000 one- and two-person households would be interested in moving to downtown Boise in the next two years if desired housing products were available. The survey of downtown workers was done by distributing a questionnaire to downtown businesses and at the Capital City public market, posting it on a website and publicizing the web address to major employers. Eighty percent of the respondents to the questionnaire indicated that they would be interested in moving to downtown Boise in the next two years in desired housing products were available.

<sup>4</sup> The Boise Smart City Initiative was launched in 2000 as a project by CCDC and the Office of the Mayor that created a vision of a vibrant urban village for downtown. The vision included a rich intellectual and cultural environment that attracts talented people and sparks creativity and innovation.