

# Loretto Heights Area Plan Affordability 101 Information Session



Date and Time: Tuesday, February 26<sup>th</sup>, 2019 from 5:30-6:00pm  
Location: Loretto Heights Library – 3001 S. Federal Blvd.

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## Meeting Summary

### 1. WELCOME

Jason began the meeting by welcoming the steering committee members in attendance as well as those members of the public that were in attendance. He explained the purpose of this meeting is provide additional background and context when it comes to some of the more complex, unique, and unfamiliar topics like affordability. The structure of the meeting is strictly limited to providing more, basic knowledge and understanding of the topic (i.e. how programs work, definitions of terms, etc.) and will not concern how that topic should be addressed in the redevelopment of the former Loretto Heights Campus or in the Loretto Heights Area Plan. Those types of discussions should always take place during our monthly steering committee meetings when everyone is together as a group.

Jason then introduced Melissa Thate, Housing Policy Officer with the Office of Economic Development.

NOTE: this summary is intended to be read while looking at the presentation.

### Slide One

[Localhousingolutions.org](http://Localhousingolutions.org) is a great new website that offers foundational and advanced information about affordable housing.

### Slide Two

Affordable housing is defined as spending no more than 30% of your income on housing costs. Regardless of how much money you make, everyone needs affordable housing.

### Slide Four and Five

Over the last 10 years, Denver has experienced a significant rise in rent and home prices. Wages have been unable to keep pace with the rising housing costs, causing a growing number of households to feel the pressures of the current housing market.

### Slide Six and Seven

Area Median Income, or AMI, is often used to described income levels and qualify households for affordable housing. In 2018, the AMI for a single person was \$63,000. Households who fall within these income levels include parents working full-time at minimum wage, teachers, police officers, and firefighters.

#### Slide Eight and Nine

When calculating rent in affordable units, we use 30% of the household's income, so affordable rents may be higher or lower.

#### Slide Ten, Eleven and Twelve

In using data to inform what AMI level has the greatest need for affordable housing, we use the percentage of cost-burdened (paying more than 30% of their income on housing costs) and extremely cost-burdened (paying more than 50% of their income on housing costs). As you see from these charts, the lower the AMI level, the higher percentage of households who are cost-burdened. This is true for both renters and homeowners. For this reason, the City and County of Denver is working to create more affordable housing to serve households at these lower AMI levels.

#### Slide Thirteen and Fourteen

The percentage of cost-burdened households in Denver compares closely to other cities with similar population sizes, often referred to as high-cost cities, including Washington DC, Boston, Portland, Memphis, and Seattle.

#### Slide Fifteen

In Denver, the percentage of owners compared to renters has remained steady over the last five years, hovering around the 50/50 mark.

#### Slide Sixteen

Because we see such a need along the housing continuum, from people experiencing homelessness to those trying to attain homeownership, our affordable housing development and programs need to serve residents along the continuum. In Denver, there are over 3,500 residents experiencing homeless, 66,000 renter households who are cost-burdened, and 35,000 home owners who are cost-burdened.

#### Slide Seventeen

In 2018, City Council adopted the city's five-year housing plan, *Housing an Inclusive Denver*. The plan outlines four key goals: creating affordable housing, preserving affordable housing, promoting equitable and accessible housing, and stabilizing residents at risk of involuntary displacement.

#### Slide Eighteen

The five-year plan also outlines how the city will spend its local and federal housing resources over the next five years, including: 20-25% for residents experiencing homelessness, 20-25% to residents earning at or below 30% AMI, 20-30% for renters earning 31-80% AMI, and 20-30% to homeownership.

#### Slide Nineteen

In 2016, the City and County of Denver created its first ever dedicated affordable housing fund in the amount of \$15 million/year, made up primarily of developer fees property taxes. In

2018, using recreational marijuana taxes and other funds, the city was able to double that fund to \$30 million/year. Furthermore, a partnership with Denver Housing Authority (DHA) will generate \$105 million over the next five years to accelerate DHA's unit creation to bring affordable units online quicker as well as acquire land and property for affordable housing.

#### Slide Twenty

In 2019, Denver Economic Development & Opportunity plan to spend approximately 46% of their funds on creation of affordable units, 15% on preservation of affordable units, and 15% on affordable housing programs like repairs, down payment assistance, rental assistance. Along the housing continuum, the resources are expected to go towards 21% for residents experiencing homelessness, 20% for 0-30% AMI, 33% for 31-80% AMI, and 26% for homeownership

#### Slide Twenty-One

In order to create affordable housing, it requires the layering of many financing tools and subsidies, including, but not limited to: private debt, tax credits, city and state gap financing, and vouchers.

#### Slide Twenty-Two

We have created an [affordable housing dashboard](#) where you can see where income-restricted units are in the City and County of Denver. You're able to search by council district, year, renter vs homeowner, etc. Currently, there are approximately 22,000 income-restricted (affordable) units in the city. In district 2, there are just over 400.

#### Slide Twenty-Three

Affordable housing takes a lot of forms, from reuse properties like the Fruitdale Lofts, homeownership options like Spruce Townhomes, and mixed-used projects like Terraza Del Sol which hosts a resource center, outdoor patio space for events, and other amenities in addition to the affordable housing.

#### Slide Twenty-Four

Denver's fifth-annual Housing Forum, Innovate! A Solutions Forum Housing, is coming up on April 19th. Volunteer and scholarship options are available. Find out more at [Denvergov.org/housingsummit](http://Denvergov.org/housingsummit)

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