2017
Denver Housing Summit:
Notes, Action Steps, & Takeaways

Prepared by

CAPPELLI CONSULTING

DENVER
THE MILE HIGH CITY

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Acronyms

ADU	Accessory Dwelling Unit
CALS	Colorado Affordable Legal Services
CDBG	Community Development Block Grant
CHF	Colorado Health Foundation
CLT	Community Land Trust
DOLA	Department of Local Affairs
DPS	Denver Public School System
FHA	Federal Housing Finance Authority
GSE	Government Sponsored Enterprises
HAP Contract	Housing Assistance Payment Contract
HFA	Housing Finance Agency
HOME	HOME Investment Partnerships Program
HUD	Department of Housing and Urban Development
LIHTC	Low Income Housing Tax Credit
LMI	Low to Moderate Income
LURA	Land Use Restrictive Agreement
NDHC	Northeast Denver Housing Center
OED	Office of Economic Development
Office of HOPE	Office of Housing & Opportunities for People Everywhere
PBRA	Project Based Rental Assistance
PBV	Project Based Voucher
PHA	Public Housing Agency
RAD	Rental Assistance Demonstration
TIF	Tax Increment Financing
TOD	Transit Oriented Development
ULI	Urban Land Institute
VLI	Very Low Income
WDRC	West Denver Renaissance Collaborative

Introduction

The 2017 Housing Summit "A Solutions Forum on Housing" brought together city leaders, national leaders, private developers, quasi-governmental organizations, non-profit housing developers, and residents for a full day of learning about and working through some of Denver's most pressing housing-related issues. A common message repeated throughout the day was that the affordable housing community should no longer consider housing solutions in a vacuum, and instead ought to work education, health, and economic mobility into their housing strategies because each sector builds off and is dependent on the others for success.

Speakers and participants also stressed the need for Denver to adopt some of the more innovative policies and programs of other cities and counties across the country that are dealing with similar housing pressures. Specific cities and counties mentioned with relevant policy innovations include Portland, OR (anti-displacement); Miami-Dade County, FL (economic mobility); Austin, TX (anti-displacement); Pinellas County, FL (permit process streamlining); King County, WA (anti-displacement); Los Angeles, CA (housing preservation); Cook County, IL (anti-displacement); and New York, NY (cooperative housing). Speakers also voiced the need for Denver to double-down on some of its own innovative home-grown initiatives such as Accessory Dwelling Unit (ADU) and Community Land Trust (CLT) development.

In summary, the 2017 Housing Summit brought to light a broad swath of policy and programmatic suggestions that may help the City of Denver better address its current affordable housing crisis—laying the groundwork for a future deeper dive into the ideas raised to determine which suggestions work best for Denver.

To best communicate the information presented at the Summit, the following pages are organized into the following three sections. First, the "Executive Summary" provides a high-level overview of the themes of each session. Then, the "Summary Takeaways" section uses a bullet formatted approach to highlight the main points and takeaways from each speaker during each session. Finally, the "Recommendations for 2018" section seeks to consider the Summit as a whole to determine what parts of it were least successful and could be improved, and what parts were most successful and should be built upon for the 2018 Housing Summit.

Plenary 1 - During the first Plenary session, Mayor Hancock, Rick Padilla, Erik Soliván, and a panel of national housing experts provided an overview of the current housing crisis, introduced the Office of HOPE's vision for cross-sector collaboration, and provided an outlook on how federal housing policies are likely to change under the current administration.

Key Takeaways: Denver's current housing affordability crisis will require innovative solutions and a high degree of coordination across multiple sectors. Traditionally dependable sources of housing funding are likely to decline over the course of the current administration. The Low-Income Housing Tax Credit (LIHTC) will most likely (and already has to some extent) lose value, and HUD funding will likely stay flat or drop. However, the GSE "Duty to Serve" rule may create resources for three traditionally underserved markets: rural housing, manufactured home communities, and affordable housing preservation. Another promising development is the Office of HOPE's Health, Workforce, and Housing strategy to coordinate city spending and program implementation across those three fields.

Plenary 2 – In the second plenary session, Diana Elliott of the Urban Institute gave a summary of the Urban Institute's recent report on the state of low and middle-income housing in Denver. Jonathan Rose of Jonathan Rose Company then presented on the conclusions that can be drawn from research regarding the intersection of education, adverse childhood experiences, and housing. The final phase of the plenary was composed of a multi-disciplinary panel that discussed health, housing, and well-being in the city.

Key Takeaways: From 2000 to 2015, Denver grew at a rate of 23% and gained 128,000 residents. Meanwhile, the number of available housing units grew by only 17%. The lack of available affordable housing options combined with rising land values is driving rapid displacement of low-income residents. To address these issues, participants in the session recommended that Denver explore the establishment of Community Land Trusts, support the West Denver Renaissance Collaborative Single Family Plus Program, expedite the building permitting process for affordable housing, create social impact investing opportunities for low-moderate income rentals, improve tenant rights protections, prioritize race and income equity, expand the use of Tax Increment Financing (TIF) in low income neighborhoods as a tool to maintain their affordable housing stock, provide tax abatements for low income homeowners, and improve economic mobility of low-income workers through workforce education. It also recommended partnering with Denver Public Schools and healthcare entities to ensure that, as a "social determinant" of health, education, and economic mobility, housing needs are met.

Creating and Sustaining Affordable Homeownership – Despite the proven benefits of homeownership, homeownership rates are dropping around the country, and in Denver, they are dropping faster than the national average. This is being driven in part by the reduction of financing resources to provide affordable mortgages for prospective low-income homebuyers. High permitting and utility tap costs can also have a massive negative effect on the feasibility of low-income for-sale development projects.

Key Takeaways: Accessory Dwelling Units (ADUs), limited equity housing cooperatives, lending circles, and community land trusts can all improve access to affordable homebuyer opportunities.

Preserving Affordable Housing – The session began with presentations from researchers, practitioners, and administrators on different methods to address the expiration of affordable housing covenants on affordable properties throughout Denver. The second half of the session consisted of an interactive workshop with the audience in which they developed and prioritized funding to preserve example properties.

Key Takeaways: In Colorado, there are 1,250 subsidized affordable properties which account for a total of 65,000 affordable units. The affordability covenants of 150 of these 1,250 properties are expiring in the next three years, and 22,000 of 65,000 units are expiring in the next decade. To address these issues, participants and presenters recommended devising programs and funding mechanisms to address specific scenarios where the current preservation ordinance doesn't apply, and intentionally targeting the most cost-effective preservation opportunities with the most vulnerable populations.

Economic Mobility and Opportunity – This session took an engaging and question & answer based format to address the issue of stagnating wages and the subsequent effect on affordable housing.

Key Takeaways: Upward economic mobility and economic stability are equally important for low-income households. Recent research demonstrates that the relocation of low-income households to high-opportunity neighborhoods does not usually result in upward economic mobility for the adults that move. However, eventually, it can lead to more positive outcomes for the relocated children. Affordable housing therefore is a good long-term approach to upward economic mobility, but is an even better short-term approach to economic stability—perhaps the key issue for many low-income households in light of rampant displacement pressures. Denver is the fourth most income segregated city in the country, and it would behoove the city to put mitigating income segregation at the forefront of its policy priorities due to the positive effect on future upward mobility for relocated children. New development, housing or otherwise, should take an explicit community-led approach to ensure that low-income households benefit economically from development in their neighborhoods.

Anti-Displacement Strategies in Gentrifying Neighborhoods– This session brought together two panels to discuss how rising housing costs are driving out low income and minority residents from the City of Denver.

Key Takeaways: Portland has experienced very similar gentrification pressures, and has developed a suite of policies that stand as a national model for how to address the issue. Denver should strive as much as possible to replicate its policies. Examples of progressive anti-displacement policies include a preference point system for displaced residents, increasing the minimum notice for no cause evictions, providing assistance to renters who have their rents rise by more than 10%, creating a landlord registry program, and capping rental application fees.

Plenary Session 1

Speakers: *MARK VITNER, Senior Economist, Wells Fargo; RICK PADILLA, Director of Housing, Denver Office of Economic Development; MAYOR MICHAEL B. HANCOCK, City and County of Denver; ERIK LOUÍS SOLIVÁN, Executive Director, Denver Office of HOPE; CHRIS ESTES, President and CEO, National Housing Conference; BARBARA MATHESON FOX, Vice President of Government Affairs Government and Industry Relations, Freddie Mac; CAROL J. GALANTE, Faculty Director, Terner Center, University of California, Berkeley; MICHAEL LIU, Director, Miami-Dade Public Housing and Community Development Department.*

Context: The morning Plenary opened with Mayor Hancock and Office of HOPE Director Eric Soliván speaking about the Denver's commitment to affordable housing. Then, the session pivoted to a panel of national housing experts that discussed the Federal housing policy landscape.

Session Summary:

1. **Mayor Hancock, Rick Padilla, Erik Solivàn:**
    a. The City of Denver's Office of HOPE is spearheading a Health, Workforce, and Housing strategy to coordinate city spending and program implementation across those three fields.
    b. Denver's current housing affordability crisis is unprecedented and requires innovation, cooperation, and hard work to solve.

2. **Panelists Chris Estes, Barbara Fox, Carol Galante, and Michael Liu** - *The panel discussed what sort of policy and funding changes should be expected under the current administration, the implications of tax reform on for-sale and rental housing, the implications of pending changes to Public Housing Agencies (PHAs) and the Rental Assistance Demonstration (RAD) program, and advice for Denver in light of all of the above.*
    a. **Barbara Fox, Freddie Mac:**
        i. While the administration is committed to supporting the 30-year fixed-rate mortgage, the general outlook for affordable housing finance is rife with uncertainties, and many tradition-al programs are being targeted for change and/or cuts.
        ii. In 2008, Congress passed the Housing and Economic Recovery Act which dictated addition-al duties to the Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac, such as additional affordable housing finance goals called the "Duty to Serve". These goals have led Fannie Mae and Freddie Mac to begin providing finance products for rural housing, supporting secondary markets for manufactured homes, and supporting affordable housing preservation.

    b. **Michael Liu, Miami-Dade Public Housing & Community Development Department:**
        i. While it is unknown to what degree the final budget will reflect administration's initial draco-nian budget recommendation, we can be certain that many programs will see cuts.
        ii. Though this administration is approaching the role of housing and affordable housing from a different ideological mindset, it is important to note that some proposals have less to do with ideology and more to do with efficiency—an approach which in some ways resonates with the HOPE initiative to leverage work of other social sectors wherever they and housing overlap.
        iii. If, at the end of the day, major cuts to HUD funding happen, major changes to housing finance may have to occur in order to adapt to a market with new needs.
        iv. Rental Assistance Demonstration (RAD), which allows public housing agencies (PHAs) to en-roll public housing units in the Section 8 project-based voucher (PBV) or project-based rental assistance (PBRA) program in order to gain access to funding for rehabilitation, can work well with LIHTC and may be supported by the current administration.

c. **Carol Galante, Terner Center**:
   i. While we should be concerned that the administration is behind on its staff transition schedule, it is encouraging that Pam Patenaude has been nominated as the Deputy Secretary of HUD because she has a good understanding of HUD and a commitment to affordable housing.
   ii. The Federal government is not going to solve the affordable housing crisis spreading across the country, so local and regional solutions are key. Resources such as the "Housing Dashboard" [an interactive tool that allows policy-makers, developers, and members of the public to model the interaction of specific land use measures and market conditions on housing production] that the Terner Center has created can help municipalities like Denver craft local solutions.
   iii. Congress is committed to resolving the issues with GSE's [such as their ongoing conservatorship] and the Federal Housing Finance Authority (FHA) over the next few years. This is important, because without positive changes, ongoing uncertainty may lead to future housing crises.
   iv. The Low-Income Tax Credit (LIHTC) is vulnerable to tax reform because, if reform efforts succeed, the value of LIHTC to businesses will be reduced, which will reduce the amount of equity available to developers through the program. Today, the prospect of tax reform has already negatively affected the LIHTC market by 20%.
   v. Between the HOME Investment Partnerships Program (HOME) and Community Development Block Grants (CDBG), HOME is much more likely to be cut completely in the next few years.
   vi. The combination of less available LIHTC equity and fewer gap-funding sources will make housing finance increasingly difficult.
   vii. The housing crisis was created by unregulated sub-prime mortgage entities—not GSEs. However, GSEs are being affected because major banks aren't doing FHA loans anymore.

d. **Chris Estes (moderator)**:
   i. The funding needs of the HUD Section 8 Voucher program will continue to grow and eat into the budgets for other programs. So, even without major cuts to HUD funding, there will be fewer and fewer resources for housing development.
   ii. Local land use is a big issue and cities like Denver need to consider how to reduce impediments to development while also providing means to preserve neighborhoods and affordable housing. Terner Center and the National Housing Conference are great resources for learning how other communities deal with these issues.

Potential Action Steps:

1. Prepare for a long, slow, unpredictable housing finance reform process that will result in less overall equity for housing development.
2. The development of new programs and finance mechanisms through the new GSE "Duty to Serve" rule will potentially provide alternate finance and equity streams that will be important to learn to capitalize on.
3. Advocacy work to support HUD will be more productive with Congress than with the administration on affordable housing. Additionally, since there are inefficiencies in the administrative side of HUD that hamper the ability of municipalities to deliver on affordable housing, it is important to work with HUD staff as well to amend them. Examples include better portfolio management and consolidated auditing (to avoid paying multiple audit fees).
4. <u>Private sector innovation provides ideas for mitigating construction costs</u>, such as off-site modular construction. From flexible mortgage products to greater development efficiencies, there are many ways to improve housing
5. <u>Use uplifting words like "Homes, Communities, and Opportunity" rather than impersonal terms like "Housing" and "Units</u>" when discussing affordable housing.
6. <u>Find alternative sources for funding affordable housing</u> in order to mitigate the increasing housing demand without counting on the federal government to step in.

Plenary Session 2

Speakers: *DIANA ELLIOTT, Senior Research Associate, Urban Institute; JONATHAN ROSE, Founder and President, Jonathan Rose Companies; BRIAN ESCHBACHER, Director of Planning and Enrollment, Denver Public Schools; KHANH NGUYEN, Portfolio Director, The Colorado Health Foundation; JAMES CORBETT, Senior Vice President of Community Health & Values Integration, Centura Health*

Context: The first phase of the afternoon plenary began with a summary of the Urban Institute's recent report on the state of low- and middle-income housing, and a presentation by Jonathan Rose on recent research regarding the intersection of education, adverse childhood experiences, and housing. The second phase of the plenary was a multi-disciplinary panel that discussed health, housing, and well-being in the city.

Session Summary:

1. **Urban Institute** – *The Institute presented a summary of its recent report on the state of affordable housing in Denver.*
   a. **Denver Population:**
      i. 23% growth in population from 2000-2015 (128,000 people)
      ii. Denver's downtown population doubled
      iii. 27% increase in renters in Globeville between 2000-2015
   b. **Increase of housing cost burdened households from 2000 to 2015:**
      i. Overall: 39% - 47% increase
      ii. Very low Income (at or below 50% AMI): 60%-82% increase
      iii. Low-Middle Income (50-120% AMI): 7% - 26% increase
      iv. High Income (120% and above): 1% - 1% (no increase)
   c. **Increased Housing Cost:** The major drivers of increased housing cost in Denver are population growth, displacement, and funding gaps. Market-rate housing is being developed at a much faster rate than affordable-rate housing because of land costs, unintended policy obstacles, and funding impediments that encumber the latter.
   d. **Major Themes from ULI Report:**
      i. Extraordinary population growth fueled by in-migration is changing the demographics of the city and increasing demand for and cost of housing. New residents are primarily white, highly educated, and (relatively) affluent. In 2015, 30% of new residents were white and under the age of 30 – double that population's immigration rate in 2009.
      ii. Generally, prosperity from Denver's economic successes is not trickling down to minority and low-income communities. Thus, Globeville, Elyria-Swansea, and other low-income neighborhoods in Denver are facing a great deal of stress from rising rent and land values, resulting in displacement of low to moderate income renters with a disproportionate effect on people of color.
      iii. Lower-Income households seek lower rents—driving them to concentrate in disadvantaged areas. These households are disproportionately Black and Latino. Thus, housing policy needs to address race and income equity.
   e. **Affordable housing success in Denver:**
      1. Denver created the Affordable Housing Trust Fund in 2016.
      2. In 2017, Denver created the Office of Housing and Opportunities for People Everywhere (HOPE).
      3. The city is a national leader in developing affordable TOD along light rail lines.
      4. Denver has taken innovative approaches to help mitigate the housing crisis such as:
         i. The Social Impact Bond Initiative
         ii. Encouraging non-profit and for-profit developer collaboration

iii. Collaborating with private developers to make existing apartments affordable

iv. Partnering with condo developers to mitigate the dampening effect of Construction Defect litigation

f. **Affordable Housing Obstacles in Denver:**

i. Construction Defect Litigation - Excessive construction defect litigation created a disincentive to develop condos that provide entry level homeownership opportunities.

ii. Tax Payer Bill of Rights (TABOR) - A 1992 constitutional amendment designed to limit growth of government in CO that effectively handicaps the city's ability to raise funds for affordable housing initiatives.

iii. Telluride Decision - A Colorado Supreme Court ruling in 2000 that effectively banned rent-control in Colorado.

iv. Dearth of Preservation Funding - Stakeholders say current funding levels are sufficient to replace disappearing units but not create a significant net increase of new units.

v. Negative Federal Funding Outlook – The questionable future of LIHTC and HUD funding limits the ability for developers to effectively piece together funding sources for affordable developments.

g. **Urban Institute Summary Program Recommendations:**

i. **Create an Affordable Accessory Dwelling Units (ADU) Program** – Instituting a fast-track process that allows low-income homeowners to develop affordable ADUs may help provide a passive source of income for homeowners at risk of displacement and increase the supply of affordable housing. Minneapolis and Santa Cruz are good examples to look to in forward-thinking ADU policy.

ii. **Create Community Land Trusts (CLTs)** – CLTs can ensure affordability in perpetuity, but because they are capital intensive, and land is getting increasingly expensive, the provision of free or discounted transfer of public land to CLTs may be necessary, and CLTs should be opportunistic and open to acquiring discontinuous properties.

iii. **Expedite Permitting Process and Reduced Fees for Affordable Units** – Providing a graduated development fee scale rather than a flat one can level the playing field for smaller projects. Expediting the permitting process can reduce holding costs which can allow developers to provide deeper affordability. Pinellas County, Florida managed to bring the turn-around time for permit applications down to 2 weeks.

iv. **Capitalize on the Potential of Social Impact Investing** – Denver's Social Impact Bond Initiative [being implemented by Colorado Coalition for the Homeless and Mental Health Center of Denver, administered by Corporation for Supportive Housing (CSH) and Enterprise Community Partners] for homelessness and the Denver Foundation's Impact Investment Fund are considered national models. This social impact investing model could be applied to produce low to moderate income rental housing. The San Francisco Housing Accelerator Fund and Housing Partnership Equity Trust (HPET) provide examples of successful funding programs.

v. **Explore ways to Protect and Expand Tenant Rights** - Denver should explore how to expand tenants' rights through citywide ordinances and protections. For naturally occurring (market rate) affordable housing, Denver should explore creating a "Right of First Refusal" program for tenants living in homes that are for sale, and should consider creating a program that grants money to LMI renters to help them afford new mortgages. Denver should examine the feasibility of creating an anti-displacement program like that of the Texas State

Affordable Housing Corporation which grants renters facing displacement 5% of the value of the home to purchase it from their landlords once their home is put up for sale.

vi. **Prioritize Race and Income Equity** – Explicitly incorporate equity and race into all affordable housing conversations and funding allocations. Denver should look to Portland, OR and King County, WA for examples of how this is done well.

vii. **Create Apprenticeship Programs** - Denver should explore creating more apprenticeship opportunities and workforce development programs. Rising housing cost burden is driven by both an increase in housing cost and stagnant or declining incomes, so boosting pay for Low to Moderate Income (LMI) families through workforce development and apprenticeship programs can help decrease this burden.

viii. **Utilize Tax Increment Financing (TIF) in Gentrifying Neighborhoods** - Denver should explore using TIF to capture and redirect increased property values in gentrifying neighborhoods to produce or preserve affordability within target neighborhoods. Denver should look to the Texas Homestead Preservation Reinvestment Zone regulation in Austin and Dallas where tax revenue generated from rapid property value changes was re-directed to create affordable housing. In neighborhoods like Globeville and Elyria-Swansea, funds could be re-directed to first-time LMI homebuyers or to preserve affordable rental housing.

ix. **Create Tax Abatement Programs for Landlords with LMI Tenants and LMI Homeowners**– Denver should explore incentivizing landlords to keep housing affordable through tax-abatement. Denver should look to Chicago's "Cook County Class 9 Program" which exchanges landlord tax-abatements for 10 to 15-year affordability terms.

x. **Initiate Regional Collaboration on Affordable Housing** – Denver should consider using existing platforms such as the Metro-Mayor's Caucus and regional equitable TOD initiatives to address the displacement-driven flow of LMI households across county borders.

2. **Jonathan Rose Keynote Session** – *Discussed the need for Denver to address the increasing lack of economic mobility for low-income households, how housing is one of the major social determinants of health, how poverty-induced stress on children of low-income families creates a negative feedback loop that damages their health, and prospects for upward economic mobility.*
   a. In 1940, by the time children of the lowest income families were 26, 90% of them were earning more than their parents, but today, only 32% of children of low-income families earn more than their parents. Thus, Denver should focus on developing "Communities of Opportunity" where affordable housing, upward economic mobility, and good education are accessible to all.
   b. Healthcare needs to include the social determinants of health such as housing, education, employment and healthy food—all factors that have been demonstrated to significantly improve health outcomes. Health is holistic, it is not just what happens in the hospital or doctor's office, but is everything in between. It is especially critical for children as adverse childhood experiences have lasting impacts.

3. **Panelists: Brian Eschbacher, Khanh Nguyen, James Corbett** – *Discussed the need to create programs that address housing as a key social determinant of health and the role of housing in negatively affecting school attendance and teacher retention.*

   a. **Brian Eschbacher, Denver Public Schools -**

   i. Despite Denver's growing population, the Denver Public School System (DPS) is seeing a decline in students in many of its schools in lower income neighborhoods. In Sun Valley, 25% of students left the school mid school year, and there was a 40% reduction in students compared to last year.

   ii. DPS is considering leasing out portions of school campuses to create affordable housing opportunities. DPS is also creating a "Strengthening Neighborhoods Initiative" to increase racial and socio-economic diversity in Denver schools to help ensure better outcomes for students in light of neighborhood changes.
   iii. As the global and local economy continues to change, Denver needs to think about how education changes with it. Because 30% of today's jobs do not require a college education, "Career-Connect" (apprenticeship) programs are a good way to link education to the current job market for students who do not plan to go to college.

b. **Khanh Nguyen, Colorado Health Foundation (CHF) -**
   i. CHF believes that having health staff on-site at affordable housing locations can help improve resident health education, and therefore, health outcomes.
   ii. CHF also believes in the importance of having a robust Medical/Legal Partnership—where a hospital can refer residents in need to lawyers who, if necessary, can represent them and pressure landlords to fix environmental health issues on their properties.

c. **James Corbett, Centura Health -**
   i. The morality of a society is seen in how it treats its vulnerable population. Denver needs to move from a narrow, traditional view of health to a broader one that includes social determinants like housing, education, employment, and healthy food. Creating explicit partnerships between affordable housing facilities and hospitals can help integrate these values.

Potential Action Steps:

1. Work to coordinate Health, Workforce, Education, and Housing initiatives more closely because all four are highly interrelated. Specific recommendations:
   a. Create Legal Partnerships between lawyers and medical professionals to triage help for vulnerable renters.
   b. Work with DPS and other institutional players to use their land for affordable housing.
2. Strengthen work to mitigate displacement. Specific recommendations:
   a. Work to keep cost-burdened homeowners in their homes through tax-related tools such as tax-abatement and TIF-styled fund-raising for affordable housing development through the capture of property-value increases in gentrifying neighborhoods.
   b. Improve tenant rights at the municipal level.
   c. Improve resident access to unorthodox housing products such as ADUs and CLTs.
   d. Create a Social Impact investment program for the development of LMI rental units.

Speakers: *BARBARA JACKSON, Director, Franklin L. Burns School of Real Estate and Construction Management, University of Denver; HEATHER LAFFERTY, Executive Director and CEO, Habitat for Humanity of Metro Denver; ANN PADILLA PARAS, Resident, Habitat for Humanity of Metro Denver; JANE HARRINGTON, Executive Director, Colorado Community Land Trust; CECE CERVANTES, Neighborhood Stabilization Program Manager, NEWSED; STACEY KING, Branch Manager, Wells Fargo Home Mortgage; ERIK NORE, Director of Affordable Lending, Freddie Mac; RENEE MARTINEZ-STONE, Director, West Denver Renaissance Collaborative; BETH SORCE, Director of Capacity Building, Grounded Solutions Network*

Context: The session was divided into two sections. The first section set the context for the discussion and worked to build a case for greater investment in building for-sale housing stock in the city. The second section focused on identifying strategies that would help enable production and sustained access to affordable housing for residents.

Session Summary:

1. **Panel 1**
   a. **Heather Lafferty, Habitat for Humanity of Metro Denver** – *Discussed the range of economic and social benefits that homeownership provides, the reasons behind the national decline in homeownership rates despite these benefits, and the specific benefits conveyed to homeowners in Habitat's experience in Metro-Denver.*
      i. Nationally, homeownership makes up 63% of the residential housing profile—the lowest it has been in the last 20 years. In Denver, at 50% it is even lower. One reason for this drop is that it is becoming more and more difficult for low-income working-class families to attain access to homeownership opportunities.
      ii. Homeownership is an important mechanism for wealth building, and declines in overall homeownership has hurt younger households, black households, and low-income households the most.
      iii. Becoming a homeowner makes a big difference for low-income households. Habitat has witnessed the following differences in families who have moved into Habitat homes:
         1. 98% of children growing up in a Habitat home graduate from high school, while the overall graduation rate for Colorado is 79% (for all income levels).
         2. Habitat homeowners have 13 times the savings of renters.
         3. Overall, Habitat homeowners in Metro-Denver used $1.5 million less in public assistance in the last year than those same families did before they became homeowners.
      iv. Finding a permanent solution to any particular family's housing crisis is highly impactful from a social and economic standpoint.
      v. Nationally, even post housing crisis, the academic community has come to the consensus that public investment in for-sale housing remains a worthwhile cost because of the large stack of economic benefits it conveys.

   b. **Ann Padilla Paras, Resident of Habitat Home** – *Discussed how becoming a homeowner through Habitat for Humanity conveyed multi-generational benefits to her family.*

   c. **Dominique Acevedo, Deputy Director, Northeast Denver Housing Center (NDHC)** - *Discussed how design innovation and construction efficiencies can make gap-closing savings to help a project achieve its affordability goals. Used NDHC's "Stapleton Townhome Affordable Homeownership" project as an example.*
      i. NDHC developed and sold 83 two and three-bedroom townhomes in Stapleton over the last

three years. Currently, 40 more units are under construction, and 63 units are in the design and entitlement phase with a 150-person waitlist.

ii. After securing as much financing as possible, the project was left with a 32% funding gap. Compared to other similar projects (60-70% gaps post financing), this gap was very low. <u>The project cost was reduced through the following design and construction steps</u>:
   1. Cost effective site planning through a comprehensive master-plan and efficient phasing, and by keeping unit numbers at 2-4 per building in order to minimize utility tap fees.
   2. Moving quickly through the construction and design entitlements stage (building department and zoning reviews are done concurrently and get through in 30-60 days, when other projects take 3-6 months). <u>Concurrent design review was critical in making the development feasible</u>.
   3. Adopting an energy efficient design with a priority on durable and affordable to operate products.

iii. <u>Specific Site Design Efficiencies:</u>
   1. Reduced sewer and water tap fees by keeping residential development to 2-4 units per building.
   2. One common foundation system and one common low-pitched roof system to reduce construction costs (roof alternates pitch to give the impression of individual roofs).
   3. Inward-facing units to minimize landscaping costs.
   4. Large windows to minimize electricity costs.
   5. Unit mix with two and three bedrooms.
   6. Efficient building programming with no wasted floor space.

d. **<u>Susan Powers, President, Urban Ventures</u>** – *Discussed how private development can address the needs of affordability through mixed income development and why such projects are important.*

i. Economic diversity in housing development improves socio-economic equity and helps fight the trend of market-driven income and race segregation exemplified by the expansion of income-homogeneous neighborhoods and suburbs.

ii. Monarch Mills is a mixed-income Loft project where 56/69 units are affordable. The project was privately financed without public subsidy. Affordability was reached through a land-donation and a private philanthropic contribution to develop underground parking lots, and by reducing the cost of building amenities by locating in a high-opportunity area.

iii. “Fire Clay Lofts” is a mixed-income condo development that illustrates the benefits of developing affordable housing in areas with low square footage costs.

iv. Aria Co-Housing Community is a mixed-income project at 52nd and Federal being developed with Susan's partner Jonathan Rose. Affordability for this project was realized in part by satisfying the inclusionary housing ordinance requirement of another development by making a deal to funnel their “cash-in-lieu” fees directly to this development.

v. **Lessons learned:**
   1. For for-profit developers with a monetary bottom line, development must be very creative, and the economics often only work through robust partnerships.
   2. Location and price of land is important when looking to the feasibility of projects since the economics often don’t work unless land costs are less than $100/square foot.

3. Denver should look to other cities that have reduced tap fees and property taxes in order to reduce development costs, and explore creating a similar program. In Portland, water tap and other fees can be waived in exchange for affordability, and the resulting savings can be substantial enough to be a deciding factor in bridging the gap to allow developers to make units affordable. Portland is unique because the city controls all of the tap fees—where in comparison, developers in Denver have to deal with other entities like Denver Water and Excel Energy. Denver could coordinate development fee discounts among all its various fee-extracting entities for affordable and mixed income development.

2. Panel 2 – *Discussed education and finance programs for prospective LMI homebuyers.*

a. Jane Harrington, Colorado Community Land Trust – *Moderated the panel and discussed housing cooperatives.*

i. Housing Cooperatives (where a corporation owns the property and residents own a share in the unit) are very effective, but, securing "share loans" to allow a person to afford the cost of the property share can be difficult. The limited equity cooperative movement has been regionally concentrated in the East Coast and thus, financing products for that model have been regionally constrained. Denver could develop their own financing product to encourage co-op development here. The city can look to New York City's housing co-op program [called the Affordable Neighborhood Cooperative Program (ANCP)] for how to do it well.

b. Cecilia Cervantes, NEWSED – *Discussed the importance of housing counseling and other homebuyer education programs.*

i. Housing counseling is an important tool that helps low-income residents make sound investment decisions. Other important programs include: home buyer classes, income qualification review, credit counseling, down payment assistance, and referrals to appropriate lenders.

ii. "Lending Circles" can help leverage the borrowing ability of multiple prospective LMI homeowners and elevate the amount of capital any one participant has on a rotating basis, they can also build credit.

c. Erik Nore, Freddie Mac – *Discussed the role of secondary mortgage markets and Housing Finance Agencies in improving access to affordable housing.*

i. Housing Finance Agencies (HFAs) can fund mortgage revenue bonds to provide below-market rate mortgages (through 2008) and are structured to buy and aggregate loans and then sell them to GSEs like Freddie Mac.

d. Stacy King, Wells Fargo – *Discussed Wells Fargo programs to provide access to mortgages for LMI households.*

i. Wells Fargo created a mortgage program called "YourFirst Mortgage" that only requires 3% down for first time and LMI homebuyers that recognizes non-traditional income sources in order to improve access to financing. It also provides discounts if the homebuyer takes a homebuyer education class.

ii. Wells Fargo also created a free program called "My Home Road Map" for prospective homebuyers that offers up to 4 sessions of personalized financial coaching.

e. **Renee Martinez-Stone, West Denver Renaissance Collaborative** – *Discussed the possibility of using Accessory Dwelling Units (ADUs) as a method of wealth building to keep LMI home-owners in their homes and the West Denver Renaissance Collaborative's (WDRCs) "Single Family Plus" program to facilitate their development.*
    i. In West Denver, a very small percentage of homeowners and renters will be able to support the property tax and rent increases projected to occur in the next few years.
    ii. ADU development is a promising way to help low-income homeowners create a revenue stream to offset displacement-inducing market pressures. It is also a promising way to increase affordable rental stock in low-income neighborhoods in West Denver without changing the single-family character of these communities.
    iii. To make the Single Family Plus program a success, WDRC needs funding partners, homeowner education, and an accelerated permitting approval process.
    iv. WDRC projects that it will need $15M to develop 250 ADUs over the next 5 years. Compared to a $15M-17M tax-credit project that builds 65-85 units, it is three times more cost-efficient.

f. **Beth Sorce, Grounded Solutions Network** – *Discussed strategies to help create vibrant, connected communities through the power of land ownership and how communities can decide the highest and best use of different properties.*
    i. CLTs are a good way to empower historically disinvested communities and build community wealth. Though usually used for single family homes, they may be used to create denser development and house seniors.
    ii. CLTs provide permanent affordability—ensuring that public investment is not lost over the life of the project.
    iii. The CLT model can also be used to protect current homeowners by reducing their property tax burden.

Potential Action Steps:

1. Improve accessibility of pathways to homeownership by:
    a. Expanding homeownership counseling, homebuyer education classes, and lending circle programs.
    b. Exploring opportunities to create CLTs in Denver.
    c. Investing in the WDRC Single Family Plus program.
    d. Improving access to information about existing affordable housing programs.
    e. Creating limited equity affordable housing cooperative programs and lending programs to finance them.
2. Implement a program modeled off Portland's affordable housing Tap Fee and Property Tax Waiver program to help mitigate the cost of affordable housing development.
3. Streamline the permitting processes for affordable housing development, and encourage efficient master-site design.

Preserving Affordable Housing

Speakers: *LIZ MUELLER, Associate Professor of Community and Regional Planning and Social Work, University of Texas, Austin; CHAD ASARCH, Principal, Steele Properties; FRANKLIN CAMPOS, Preservation Coordinator, City of Los Angeles; BETH TRUBY, Preservation Program Manager, Colorado Housing and Finance Authority*

Context: The session began with presentations from researchers, practitioners, and administrators on different methods to address the expiration of affordable housing covenants. The second half of the session was an interactive workshop with the audience in which they developed and prioritized funding to preserve example properties.

Session Summary:

1. **Section 1**
   a. **Liz Mueller, University of Texas, Austin** – *Discussed research she has been conducting on the preservation and production of affordable housing and the disconnect between where cities are trying to foster change versus what locations are particularly valuable to residents.*
      i. The University of Texas has developed a computer program for Denver and a number of other cities called "Envision Tomorrow" – a powerful scenario modeling tool that enables users to analyze how their community's current growth pattern and future decisions impacting growth will impact a range of measures such as public health, fiscal resiliency, and environmental sustainability. It also allows users to consider the value of different locations to low income renters based on the jobs and services they can access within 45 minutes of the site by transit.
      ii. Lessons that can be drawn from applying the Envision Tomorrow tool to Denver:
         1. In comparing a variety of corridors to determine their co-incidence with low-wage job centers, it can be seen that the North-South transit lines in and around Broadway provide good connections to low-wage jobs, while corridors like Federal to the West and corridors to the East have poor connections.
         2. The East and West sides of the Colfax corridors have the highest number of naturally occurring affordable housing units in the city, but relatively weak connecting transit corridors.
      iii. Denver needs to strategically intervene to preserve affordability in apartments that, because they house vulnerable populations or are close to key services, are especially valuable to residents.
      iv. It is important to track properties at risk of losing their Land Use Restrictive Agreements (LURAs), even if there are mechanisms for the owners to renew them.

   b. **Franklin Campos, City of Los Angeles** – *Discussed the challenges surrounding preservation and the funding strategies that can be employed for large scale developments, as well as protections and outreach for renters and property owners.*
      i. Discussed the positive effects of a state law in California that requires property owners with deed restrictions and rental subsidies to notify residents of intent to sell 12 months and then 6 months in advance of the actual sale. This both helps the city to line up tools to preserve the property, and gives tenants time to find affordable housing.
      ii. Discussed the City of Los Angeles' efforts to develop its own early sale warning ordinance.
      iii. When the city's preservation program first began in 2004, it allocated $2M for preservation work on 9% tax credit properties.
      iv. Denver is on the right track with its preservation program.
      v. Los Angeles' preservation program focuses on properties with access to transit, substantial

past city funding, and vulnerable populations. When these properties' affordability contracts are nearing expiration, the city reaches out with owner education programs. This program led to 600 of some 2,000 expiring properties indicating an interest in preserving the affordability of their properties.

vi. It is important to reach out to tenants of affordable housing as well as the landlords because tenants can provide additional information that landlords may not know or may not be willing to share.

c. **Chad Asarch, Steele Properties** – *Discussed the various categories of properties in need of preservation and potential strategies to retain affordability.*

i. In Colorado, there are 1,250 subsidized affordable housing properties containing a total of 65,000 affordable units. 150 of these 1,250 properties are expiring in the next three years, and 22,000 of 65,000 affordable units across the state are expiring in the next decade.

ii. If a property is falling out of affordability, the owner could get up to two times as much money selling to a market-rate developer as they would selling to an affordable housing developer. This is because the average cost of a 2-bedroom apartment in Denver is currently $1,761/Month. Maximum affordable rent for someone at 60% AMI is $1,134/Month ($627 difference). If one assumes that operations costs are the same ($5,100/unit/year), then the per unit income of a market rate unit is two times that of an affordable unit (market rate valued at $300k, affordable-rate valued at $170k).

iii. Mr. Asarch spoke to 5 categories of preservation transactions, detailed as follows:

1. Existing affordable that has an expiring LURA and a profit-motivated owner—these units are more difficult to preserve because the city and its partners have to outbid the market and acquire the property outright in order to preserve the units.
2. Apartments with an expiring Project-Based Section 8 Housing Voucher "Housing Assistance Payment Contract" (HAP) – the advantage to preserving these units is that the contract can be renewed and rents can be increased to match the market rate—so the owner makes the same as they would in the market. These units should be preserved by renewing the HAP contract and raising rents to help decrease gap of what the owner would make between affordable and non-affordable units. Providing tax credits and municipal grants can also help preserve these units.
3. Mission-Driven Owner – this type of owner may want to sell, but wants keep the property affordable regardless of the expiring HAP or LURA. These properties are easiest to preserve because the owner is not motivated by profit. Thus, they can be preserved by the city and partners with relatively low subsidy, but the chief obstacle here is education about preservation programs.
4. Naturally occurring (market) affordable housing in gentrifying areas—poses significant preservation challenges because property taxes alone can cause the owner to sell and there are no restrictions to prevent them from doing so. These may be preserved by providing rehabilitation and tax relief in exchange for affordability.
5. Properties are protected by HAP or LURA, but the building itself needs renovation to stay viable—these properties pose significant preservation challenges. They may be preserved if the city and its partners proactively provide renovation assistance in exchange for affordability.

2. **Section 2**– *Participants were given a document with different real-life preservation scenarios, a budget of $3 million, and were asked to pick which type of projects were most important to preserve.*
    a. Preservation Case Studies
        i. Ivy Gardens: Ivy Gardens is a Project based Section 8 property located in Five Points with expiring rent restrictions. The property serves a population at or below 30% AMI. The owner wants to sell the property for a profit which means intervention is needed to keep the property affordable. If it is not preserved, the current residents would be displaced.
        ii. Magnolia Place: The property is a non-project based Section 8 property with expiring rent restrictions. It is restricted to 60% of AMI or below, there is no opportunity for additional rental subsidy, and there is no HAP agreement. It is located in a highly desirable neighborhood and the seller wants to sell the property for as much as possible.
        iii. Bunker Hill Apartments: The property serves a senior population through Section 8 vouchers and a rent restriction agreement which is expiring. The owner is seeking a profit, but also has legacy concerns and desires to keep the property affordable.
    b. Preferred Preservation Opportunities:
        i. The breakout groups favored investing in case studies 1 and 2 because they had relatively low investment requirements per unit and because they leveraged federal resources.
        ii. The groups decided that the burden of the rent increase in case study 3 ($50) seemed low compared to the other two. Case study 1 seemed more critical to preserve as it was in a gentrifying neighborhood and close to the light rail. They also discussed using LIHTC for gap-funding and DOLA funding for later renovation.
        iii. Participants discussed the importance of municipal level political will to identify and prioritize key preservation opportunities.

Potential Action Steps:

1. Implement a system to track properties across the city that are at risk of losing their Land Use Restrictive Agreements.
2. Explore the feasibility of a warning system to alert tenants in properties where the owner may not renew their affordability covenants.
3. Develop long-term program and plans to create a stable and inviting environment for developers to preserve affordable housing.
4. Identify clear preservation priorities and aggressively pursue the preservation of properties that meet those priorities.

Economic Mobility and Opportunity

Speakers: *HEIDI AGGELER, Managing Director, BBC Research; LEDY GARCIA-ECKSTEIN, Director, Division of Economic Mobility, Denver Office of Economic Development; DR. LYDIA PRADO, Vice President of Child & Family Services, Mental Health Center of Denver; MICHAEL LIU, Director, Public Housing and Community Development Department, Miami-Dade County; STACY SPANN (*Couldn't Make It*), Executive Director, Housing Opportunities Commission, Montgomery County, Maryland*

Context: The session began with a series of presentations covering how economic mobility should be considered in the context of housing and what the City of Denver will be working on to ensure that happens in the future. Then, Dr. Prado and Michael Liu described two successful case studies from recent and future developments designed to serve and empower the community. The second half of the session was a facilitated question and answer session from the audience.

Session Summary:

1. **Panel 1**
   a. **Heidi Aggeler, BBC Research** – *Moderated the panel and presented the framework for considering economic mobility--and stability--in the context of housing and community investment.*
      i. Though economic growth can be an inherent contributor to economic mobility, it often occurs at the expense of economic stability. Understanding this, it is important to ensure the latter as well as the former. "Economic Mobility" is often defined as one's ability to move up the income spectrum, but for many families, economic stability is even more important. Location is an important determinant of economic mobility. Affordable housing helps economic stability in the short term and economic mobility in the long run.
      ii. The price or rent of housing includes the cost of a bundle of attributes and services, including: stores, parks, school access and quality, crime rates, transportation infrastructure, neighbor socio-economics, land use regulations, property taxes, and affordability.
      iii. Denver can learn from a "Game-Changing" report from Dr. Raj Chetty which studied the Move to Opportunity Program (HUD).
         1. Key findings: In comparing the economic mobility of very low income (VLI) and low and moderate income (LMI) families who moved to either high-poverty environments, low-poverty environments, traditional neighborhoods, or who did not move, it found that there was little immediate impact in terms of decreased risky behavior or improved math or reading ability. However, over time, children who were able to escape high-poverty areas had increased earning power, regardless of their race, ethnicity, or gender. Thus, it can be concluded that, while moving to areas of opportunity has little effect on economic outcomes for adults, it may have a large effect on eventual education and (it follows) economic outcomes for their children.
      iv. Neighborhoods with high levels of economic mobility also have:
         1. Less racial segregation
         2. Lower levels of income inequality
         3. Higher quality early childhood education
         4. Greater social capital--indicated by the number of community organizations and higher family stability
      v. Denver has the fourth highest level of income segregation in the country. Denver should formally acknowledge this issue and work to reduce segregation.

b. **Ledy Garcia-Eckstein, Division of Economic Mobility** - *Provided an overview of the new Economic Mobility Division within OED as well as other City-affiliated programs.*

   i. OED's new economic mobility division is charged with ensuring that growth and prosperity in the city does not result in anyone being left behind.
   ii. The division will be working on increasing access to city programs and funding for small, minority, disadvantaged, and women-owned businesses in low-moderate income neighborhoods.
   iii. Initiatives the division is involved with (funded by DIA, the city, CDBG, and foundations):
      1. A new event called "Cadence of Opportunities" that convenes a large number of city agencies on a quarterly basis that are involved in construction, goods, and services
      2. Woman and minority-owned business are invited to quarterly meetings to inform the owners about upcoming city projects
      3. The Construction Empowerment Initiative
      4. The Mentor-Protegee Program which brings prime contractors and disadvantaged businesses together
      5. Housing counseling
      6. Various employment training programs for children and adults
      7. Food incubators
      8. Co-op businesses
   iv. The division is concerned with commercial displacement as well as residential displacement.
   v. The division recommends that the city conduct an "Economic Mobility Impact Analysis" of major city investments to ensure that they don't unintentionally cause low-income and disadvantaged populations to be left behind.

c. **Dr. Lydia Prado, Mental Health Center of Denver** – *Presented on the importance of the community-engagement aspects of Mental Health Center of Denver's new Dahlia Campus.*
   i. The Dahlia Campus for Health and Well Being in Northeast Park Hill was created to provide community members with a place to learn new skills and find the support they need to improve their health and well-being.
   ii. The program has been successful because it was informed by residents, neighbors, and was comprehensive in its approach to addressing needs and developing strengths.
   iii. In order to ensure the project fit the community, the program:
      1. Worked to understand the relationship between the neighborhood and stakeholders
      2. Worked to understand the history of the community
      3. Created an asset map with community members and used data to show demand for services
   iv. Based on all of the outreach and feedback received, the campus now includes a greenhouse, community gardens, a large urban farm, cooking classes, a community kitchen, horticulture room, and a full dental clinic that offers free services for children.

d. **Michael Liu, Public Housing and Community Development Department of Miami-Dade County** – *Discussed the redevelopment of Miami-Dade County's Liberty Square public housing via the Liberty City Rising Project.*
   i. The Liberty Square Public Housing Project in Miami-Dade County is undergoing a massive redevelopment. Despite its prime location near transit corridors, affluent neighborhoods,

and the beach, it is located in a very high violent-crime area. Because it is on high ground, and because of rising sea levels, there is new land speculation in the area.

ii. The redevelopment will expand beyond the public housing project to the surrounding community to improve neighborhood stability and economic mobility.

iii. The property grounds will include: parks, a grocery store, retail space for community owned businesses, a community center, a pool, and universal Wi-Fi. These amenities are <u>built into the master development agreement and if the developer fails to follow through, it will be grounds for termination of the contract and large fines</u>.

iv. There are provisions in the contract to ensure that a percentage of construction and permanent jobs go to residents of the housing project, and that a percentage of the commercial space is rented to minority- or women-owned businesses.

v. All residents that want to remain at the site will be guaranteed a unit in the new Liberty Square development.

2. **<u>Facilitated Discussion</u>** – *Participants were asked to discuss what they would like to change about Denver policy to improve economic mobility.*

   a. Participants discussed the provision of physical access for people with mobility challenges in the Liberty City Rising Project.
   b. Participants suggested using Providers Advancing School Outcomes (PASO), a program for home based child-care providers, to relieve the burden of childcare for low income families.
   c. Participants discussed the connection between mental health, housing security, and education outcomes for children, and the need to coordinate efforts to address these issues due to their effect on economic mobility.
   d. Participants discussed the need to reduce re-lapse of previously homeless into homelessness by creating programs to help them keep jobs they have secured.

Potential Action Steps:

1. Understand what the community's assets, values, and needs are before developing any community-serving project or program.
2. Work to decrease the amount of income segregation in the city through the creation of economic mobility and stability programs.
3. Coordinate efforts to address mental health, housing stability, and education.
4. Ensure that the city conducts studies to determine the economic mobility impacts of their investments so they don't involuntarily contribute to displacement.

Anti-Displacement Strategies in Gentrifying Neighborhoods

Speakers: *DACE WEST, Vice President of Community Impact, The Denver Foundation; DIANA ELLIOTT, Senior Research Associate, Urban Institute; MARIA CEBALLOS, Unidas Por La Justica; RAYMUNDA CARREON, GES Coalition; The Honorable CLARRISE GONZALEZ, Denver County Court; FLOYD JONES, Executive Director, Colorado Affordable Legal Services; Councilwoman ROBIN KNIECH, Denver City Council; KURT CREAGER, Director, Portland Housing Bureau; SARA REYNOLDS, Executive Director, Housing Colorado*

Context: The session was split into two sections. The first section set the policy and programmatic context for Denver and the State of Colorado with a slate of speakers which included researchers, residents, and service providers. The second section of the session focused on exploring best practices from Portland, anticipated next steps the Denver City Council plans to take to address displacement, and what to expect from the state legislature in 2017.

Session Summary:

1. **Panel 1**
    a. **Diana Elliott, Urban Institute** – *Reported out a high-level review of the Urban Institute's recent research in Denver.*
        i. Many Denver neighborhoods have had dramatic increases in home values in the past 15 years.
        ii. New arrivals to the city tend to be rich, white, and well-educated.
        iii. The lack of affordable condo development has led to tremendous inflation in the market.
        iv. Low-income families that are increasingly cost-burdened are being displaced from their communities.

    b. **Raymunda Carreon, Resident, GES Coalition Member** – *Provided an account of her first-hand experience with the rising cost of living in North Denver - a neighborhood that is experiencing strong gentrification pressure.*
        i. Raymunda has lived in different houses in the area for 18 years.
        ii. The most recent house that she lived in had very few protections. She did not have a contract, so the landlord would frequently raise rent without warning.
        iii. She is currently looking for a new affordable home in the area in which she doesn't have to worry about the rent going up, but it is very difficult.

    c. **Maria Ceballos, Resident, Unidos Por La Justica Member** – *Spoke to her experience being displaced from Westwood: the stresses of displacement and challenges of relocation.*
        i. Maria lived near Abraham Lincoln High School but had to move out of her home because the rent was increased beyond what she could pay.
        ii. She and her family moved to Arvada, because it was the only place area with units they could afford.
        iii. Her daughter who was going into her senior year had to switch schools.

    d. **The Honorable Clarisse Gonzalez, Denver County Court** - *Reviewed the trends in Denver eviction court and the current state of renters' rights protections in the state.*
        i. Colorado tenants' rights are based in contract; protections often only extend as far as the wording on a particular lease.
        ii. The courts have seen a large increase in the number of people who are employed full-time and yet still get evicted.
        iii. The law as it stands is written in favor of landlords; there is no right to counsel for tenant issues in the state.

e. **Floyd Jones, Executive Director, Colorado Affordable Legal Services (CALS)** - *Presented eviction statistics for the Denver Metro region as well as a list of housing support services.*
   i. In 2016, the five county Denver Metro area had more than 35,000 evictions, placing approximately 70,000 individuals at risk of homelessness.
   ii. Denver had 8,419 evictions--a 6.4% increase over 2015.
   iii. There are a number of resources in the city; CALS is a member of a resource collaborative which provides support to evicted renters.
   iv. The "Homeless Prevention Hotline" is an important tool that provides resources for both landlords and tenants.

2. **Panel 2**
   a. **Kurt Creager, Portland Housing Bureau** - *Spoke about the legislative and administrative actions that the City of Portland has undertaken to increase tenant protections in the past two years.*
      i. Portland's chief priorities are housing, homelessness, and police accountability.
      ii. Like Denver, Portland is experiencing a huge increase in the population of affluent residents (1/3 of all new home purchases are done in cash with out financing). Portland characterizes its affordable housing crisis as a low-income and racial diaspora out of the city. The city seeks to invest in housing in the most high-opportunity and expensive areas to provide an anti-dote to market pressures.
      iii. Series of actions Portland has taken in the last two years that Denver should consider implementing:
         1. Portland allocated $20 Million in relocation assistance for individuals and families that have been displaced through City action. These families are awarded preference points that allow them to return to their original neighborhood when there is vacancy.
         2. Because Portland City Council declared a Housing State of Emergency in 2015, they were able to waive ordinance and land-use restrictions for affordable housing and shelter development--thus streamlining the process for new development. They also created a 45% set-aside for affordable housing of Tax Increment Financing (TIF) revenue accrued from 5 Urban Renewal districts in the city, raising approximately $67 million.
         3. Because vouchers were being returned at a high rate (25%) the city conducted a fair-market rate study that enabled HUD to raise fair-market rent estimates to increase Section 8 voucher uptake.
         4. Although Portland is also characterized by a weak tenant's rights environment, the city was able to enact a 90-day notice provision for any "no-cause" eviction within the city.
         5. The city requires inclusionary zoning on multi-family apartments over 20 units. It also requires that 20% of total units be affordable at 80% AMI, or 10% at 60% AMI. In order to offset costs to developers, the city provides: density bonuses, parking waivers, System Development Charge (SDC) waivers, and tax abatement on these projects.
         6. Any increase in rents over 10% can trigger relocation benefits for displaced tenants.
         7. The city created an Office of Landlord-Tenant Affairs that uses general fund dollars to provide free legal counsel to tenants.

8. Portland created a program called "No App Fee" that allows tenants to pay $0 in application fees for units managed by the Portland Housing Bureau.

iv. Short-term rentals are taxed as "transient lodging" and the revenue is directed to a housing fund for site acquisition--this past year it raised $9 Million.

v. The city provides unsecured loans for judgments and liens that tenants have on their record, reducing barriers to Section 8 voucher acceptance.

b. **Councilwoman Robin Kniech** - *Discussed the ongoing and future programs that the city will be funding, investigating, and pursuing.*

i. More than 8,600 evictions were filed in 2016. Harvard is conducting analysis on data from the evictions to see if there are any patterns.

ii. The Department of Human Services plans to continue a program to help renters who were evicted after being late on rent because of extraordinary life circumstances.

iii. Denver is working on the continuation of a pilot program that provided post-eviction court outreach and legal assistance to evictees.

iv. Areas not governed by State Law where Denver has stepped in: If a landlord runs an Airbnb -type short-term rental program for less than 30 days, Denver can require them to register.

v. Denver is considering a "landlord registry" program to help protect renters. A registry could force landlords to provide written leases to tenants, rent receipts, and connections to resources.

vi. Denver is interested in creating a Resident Preference policy like Portland.

vii. Denver is working with West Denver Renaissance Collaborative to pilot empowering vulnerable homeowners with income that could be generated from operating an ADU.

c. **Sara Reynolds, ED of Housing Colorado** - *Reported out on the legislative efforts of the past session related to tenants' rights and what to expect in the upcoming session.*

i. CO passed two bills in 2017 protecting renter's rights, and one that increased funding for housing:

1. **HB 1035** victims of sexual assault and stalking are now able to terminate their leases without penalty.
2. **SB 17-245** extended the notice to quit from 7 to 21 days as well as 21-day notice for rent increases where there are no written leases (but only if there had never been a written lease).
3. In the **FY17-18 Long Bill,** the state passed a $16M cash transfer from the Marijuana Tax Cash Fund to the Affordable Housing Construction Grants and Loans program. The bill received support from some rural republican senators.

ii. CO failed to pass three bills that, if passed, would have improved renter-rights:

1. **HB 1310** - Would have capped application fees for rental applications. There is good precedent across the country for similar bills, so it will likely come back next year; passed the House but died in the Senate.
2. **HB1312** - Would have required a written lease for all rental agreements and receipt for all payments.
3. **[No Bill Number]** - There were productive discussions around preventing discrimination based on source of income which would protect voucher recipients. The rate of return for vouchers is 40-60% in the metro region.

Potential Action Steps:

1. Investigate Portland's suite of policy steps taken in the last two years to fight gentrification (see notes from Kurt Creager's presentation above) such as the preference point system for displaced residents.
2. Continue to pursue new legislative and administrative solutions to keep renters and homeowners in place, such as:
    a. Increased minimum notice to quit timeline for no cause eviction
    b. Landlord registry
    c. ADU pilot program
    d. Legislation to cap the rental application fees
    e. Disallow landlords from discriminating against renters based on source of income
3. Work to waive the ordinance and land-use restrictions preventing affordable housing and shelter development.
4. In the Denveright Blueprint Denver plan update, pair Denver public dollar investment with affordable housing investment.

Recommendations for 2018

Strengths:

1. The robust language translation services were helpful in that they allowed many Spanish speakers to participate fully in the conference.
2. The plentiful provision of scholarships for lower income attendees created a greater level of inclusivity than in previous years.
3. The Summit featured a robust mix of researchers, development practitioners, elected officials, and resident voices.

Opportunities for Improvement:

1. While a basic Q&A format panel is a useful method for setting the context for and exploring the complexities of any given issue, it is not quite as productive as facilitated breakout discussions or workshop-style exercises for developing unique solutions for tough problems. In 2018, Denver might consider ensuring that each session gets divided into a "framing" section and a "solutions" section to ensure the best outcomes.
2. Future Housing Summits should consider developing sessions that tackle a particular problem or scenario and invite people to come prepared to work through issues, develop strategies, and stregthen their networks.
3. Future Housing Summits should consider having procedures in place to proactively maintain momentum, idea-generation, and facilitate networking.
4. Many (though not all) speakers used the forum as a platform to educate forum participants about existing affordable housing programs. **Future forums should set the expectation that speakers focus more on offering suggestions to generate new ideas to address affordable housing problems than on describing existing programs.**
5. By far, the Economic Mobility Session was the most engaging and dialogue based—future sessions may benefit from following its model.