The City and County of Denver has determined that there is a continued need for affordable housing based on a persistent gap between the income of Denver residents and the high price of new housing. The Denver Inclusionary Housing Ordinance (IHO) was created to increase the number of affordable housing units in areas where they are most needed.

Inclusionary Housing Ordinance, August 25, 2014

For more information:
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NOTE: This plain language guide is not meant to substitute for or modify the terms of the IHO Administrative Rules and Regulations available online at www.denvergov.org/housing.
Summary of IHO Rules and Regulations

Who must comply? 2.1.B
- Residential for sale projects with 30 or more units
- Smaller projects developed as part of an “Overall Plan of Development”

Exempt Projects 2.1.B
Projects may be exempt if
- They are part of a Planned Unit Development approved before passage of the IHO, or
- They are developed by an approved nonprofit as part of a governmental housing program

Projects that are exempt from the IHO have the option of voluntarily complying in order to access incentives.

Compliance Options 2.1.N
- The default method of compliance with the IHO is provision of onsite affordable units.
- The Director may approve alternative methods of compliance, including
  - Cash In Lieu
  - Onsite Replacement Units
  - Offsite Replacement Units

Onsite Units 2.1.G
- 10% of residential units must be affordable to buyers earning no more than 80% of the Area Median Income (AMI)
- OED must approve buyers for eligibility (www.denvergov.org/housing)
- Developers must record a covenant to preserve affordability for at least 15 years.
- Unit sizes and number of bedrooms must mirror the sizes and mix of market rate units

High Cost Structures 2.1.H
- For buildings with elevators and structured parking, onsite units must be affordable to households earning no more than 85% of AMI

Incentives 2.1.J
- Cash incentives are offered based on the level of need for affordable housing in the neighborhood in which the project is located. (See attached map)

<table>
<thead>
<tr>
<th>Neighborhood Type</th>
<th>Low Need Areas</th>
<th>Average Need Areas</th>
<th>High Need Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentive per Affordable Unit</td>
<td>$2,500</td>
<td>$6,500</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

- Projects that provide units that are more deeply affordable (80% of AMI for ownership and 50% of AMI for rental units) can receive an additional $5,000 cash incentive per unit.

Cash In Lieu 2.1.S
Subject to approval by the OED Director, a project may elect to make a cash contribution to the City’s Housing Incentive Program Fund instead of providing required affordable units.
- The contribution amount is a percentage of the price that would have been required for units that are not provided.
- The required cash in lieu payment is higher in areas with greater need for affordable housing.
- OED publishes a schedule of the required Cash In Lieu amounts annually (www.denvergov.org/housing)

Alternative Construction Timing 2.1.R
- The IHO requires that affordable units be marketed and sold concurrently with market rate units.
- Developers may propose alternative timing if the alternative results in additional housing benefits to the city.
- The city may require that funds be placed in an escrow account to ensure that affordable units are built.

Onsite Replacement Units 2.1.O
Developers may propose providing fewer total affordable units onsite if they are able to offer one or more of the following benefits:
- Units affordable at lower AMI levels
- Units with more bedrooms than would otherwise be required
- Units designed for special needs
- Units with longer control periods

Developers may also propose replacement units as rental housing at 65% of AMI.

Offsite Replacement Units 2.1.P
Developers may also propose to provide all or some of the replacement units in a different location off site.
- Off site projects can be developed with an affordable housing developer
- Off site units must be designed and built to a standard that is comparable to the quality and size of the market rate units.

Offsite projects must provide one or more of the following additional benefits:
- increased number of affordable units
- more total bedrooms
- increased affordability
- family oriented development
- more units offered as rentals 65% AMI, or
- projects within 0.5 miles of a rail station.