

Q & A

If You're a Builder or Developer of Affordable For-Sale Units

I am scheduled for a pre-development meeting with the Denver Community Planning and Development office. What should I do to document compliance with the Affordable Housing Program?

Before you apply for the necessary permits for your development, you must complete an Affordable Housing Plan (AHP), which documents how you will comply with the ordinance. Please contact the Denver Office of Economic Development (OED) at 720-913-1711 to schedule a review meeting to complete your Affordable Housing Plan.

How much extra time does this add to the permitting process?

The AHP process does not add any extra time to the permitting process. It occurs concurrently with the permit process, although an approved AHP is required before an applicable permit is issued.

How are the sales prices of my affordable units established?

The city uses a pricing formula to calculate the initial maximum sales prices. The formula uses the U.S. Department of Housing and Urban Development's published Denver area median incomes (AMI), average interest rates for the six months prior, real estate taxes, homeowners' association fees, and other factors.

My first affordable units are nearing completion and I want to start marketing to income-eligible households. What should I do?

Please notify us that sales are ready to occur. We can meet with on-site sales staff to discuss the program and its requirements. Remember that you are required to list the for-sale affordable units on www.ColoradoHousingSearch.com. It is strongly advised that your affordable units are listed on MLS as separate listings and that your website has a separate, clickable link to the affordable units. You must provide to us the total number of affordable units being constructed, the address of each affordable unit, and, as your marketing process is successful, the names of up to two applicants per unit for income verification.

Who is eligible to purchase one of these affordable units?

By law, there are two essential requirements of prospective buyers in our affordable program:

- One, we require that buyers fall between **certain minimum and maximum income limits**, which are defined each year based on federal data. For example, for a one-person household in 2018, the buyer must be able to demonstrate that they earn at least \$31,500 but less than \$50,350. Certain guidelines regarding income and asset calculation apply to retired people, persons collecting Social Security Disability Income (SSDI), and other cases.
- Two, the buyer must demonstrate that the proposed new housing payment (a combination of the mortgage, interest, taxes, insurance, and HOA dues) **will not exceed 30% of their total household monthly gross income**. This calculation is called the front-end ratio. Certain exceptions can be made into the 31-43% range for specific projects in areas defined as "high need" for affordable housing by the city.

For more information, refer prospective buyers to *Q&A for Interested in Purchasing an Affordable Unit*.

Does the city maintain a list of income-verified households that I can contact?

No. The city refers all potential purchasers of affordable unit homes to www.ColoradoHousingSearch.com to identify affordable unit home listings. This site is advertised by affordable housing providers throughout the state.

I have a buyer under contract for a specific affordable unit. How can I ensure that the buyer's application for income verification will not delay the sales process?

A buyer of a specific unit, if under contract, is the top priority for the city's application review, followed by buyers of specific new construction units. In the case of both existing and new construction units, you may submit a secondary (back-up) buyer for income verification review in the event that your first applicant does not pass the approval process. A buyer who has not yet identified a unit to purchase is the lowest priority. If there is information that is missing from a buyer's application for income verification, that information must be provided within 60 days of the city's request for it, otherwise the application will be withdrawn.

How do I apply for the cash incentive?

Once the Certificate of Occupancy has been obtained, please contact the city to request an inspection. After the inspection and the sale of the affordable unit, you may submit a Rebate Request Form. Contact us at 720-913-1711 for details.

Why do I have to request an inspection? Is this the same as the building inspection?

This inspection is not the same as the building inspection. It is meant to ascertain that the units built meet the functional requirements stated in your Affordable Housing Plan. This inspection must be completed and passed prior to the issuance of cash incentives.

All inquiries regarding these policies should be directed to OED. You may email affordablehousing@denvergov.org or use the phone lines listed below.

To reach the best resource at OED to address your needs:

Real estate professionals: 720-913-1634

Current owners of affordable units: 720-913-1711

Prospective buyers of affordable units: 720-913-1634

Developers and builders: 720-913-1711

**Inquiries about the Metro Mortgage Assistance Plus or
Mortgage Credit Certificate programs: 720-913-1532**