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ACKNOWLEDGEMENTS

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SECTION 1.
INTRODUCTION

Denver prides itself on being an open, inclusive, and welcoming place to live. The *Housing an Inclusive Denver* five-year plan, adopted by City Council in February 2018, provides background on the housing challenges in the City and County of Denver and identifies legislative, regulatory and investment strategies aimed at addressing those challenges.

*Housing an Inclusive Denver* is focused on tools that address a continuum of housing needs, including housing for residents experiencing homelessness, affordable and workforce rental housing, and attainable homeownership. The plan seeks to align the City and its partners’ actions between 2018-2023 according to four strategic goals: 1) create affordability, 2) preserve affordability, 3) promote access to housing, and 4) stabilize residents at risk of displacement.

*Housing an Inclusive Denver* details funding priorities associated with specific populations along the housing continuum.

- **40 to 50% of housing resources** invested to serve residents earning below 30% of Area Median Income (AMI) and those experiencing homelessness who are seeking to access or maintain rental housing, including:
  - 20 - 25% of housing resources to serve residents experiencing homelessness
  - 20 - 25% of housing resources to serve residents earning below 30% AMI
• 20 to 30% of housing resources invested to serve residents earning 31 to 80% AMI that are seeking to access or maintain rental housing.

• 20 to 30% of housing resources invested to serve residents seeking to become homeowners or remain in homes they already own.

Available housing resources must be aligned on an annual basis to achieve these goals over the five-year planning period. The purpose of this 2018 Action Plan is to guide the City’s housing investments and policy priorities in support of Housing an Inclusive Denver over the coming year.

This document will outline:

• Current housing and demographic conditions to drive prioritization of housing resources in 2018;

• Overview of 2018 resources available for investment in development, preservation and programs;

• Projected investments in 2018 based on current pipeline of project and programs;

• Identify key action items from the Housing an Inclusive Denver plan that the City and its partners will focus on in 2018 to expand the affordable housing toolbox and promote the core goals of the plan; and

• Outline the City and its partners’ steps to implement the 2018 Action Plan priorities

HOUSING AN INCLUSIVE DENVER’S CORE GOALS

Create affordable housing in vulnerable areas AND in areas of opportunity by focusing on production that considers specific neighborhood conditions, including areas vulnerable to displacement and neighborhoods that have strong amenities such as transit, jobs, high quality education and health care. Measurable outcomes from investment and policies under this core goal include new units created.

Preserve affordability and housing quality by investing to maintain affordability in non-subsidized units and preserving or continuing affordability of existing publicly subsidized affordable housing. Measurable outcomes from investment and policies under this core goal include existing units preserved and residents served through program investments or policy actions.

Promote equitable and accessible housing options by supporting programs and policies that help residents across the housing continuum access affordable housing. Measurable outcomes from investment and policies under this core goal include residents served through program investments or policy actions.

Stabilize residents at risk of involuntary displacement by supporting programs and policies that help a resident maintain their existing housing or stay in their community. Measurable outcomes from investment and policies under this core goal include residents served through program investments or policy efforts.
SECTION 2.
CURRENT HOUSING AND
DEMOGRAPHIC CONDITIONS

Residents Experiencing Homelessness

Homeless population. In January 2017, 3,336 households reported experiencing homelessness on a given night in Denver. However, the point-in-time picture of people living without homes is a single snapshot in time and fails to capture households moving in and out of homelessness throughout the year. In addition to the one-night count, the waitlist for the Coordinated Entry System, OneHome, which provides a regional common assessment tool for targeting housing to those experiencing homelessness, is more than 4,000 households and the eligibility list for the Denver Social Impact Bond Project targeting homeless frequent users of the jail system includes more than 2,000 individuals.

Affordable and Workforce Rental Housing

Increasing Rents. Median rent for all apartments in the City and County of Denver stood at $1,389 at the end of the third quarter of 2017, representing an increase of 1.5% over the end of 2016. This represents the highest ever median rent in Denver and an increase of 72% over the last nearly ten years – in the third quarter of 2008, the median rent for all apartments in Denver was only $808.
Find more information about the change in median rent in Figure 2.3 of the Appendix.

**Attainable Homeownership**

**Increase in Median Sales Price.** The cost of for-sale housing also continued to grow in 2017. The median price of a single-family home sold in the City and County of Denver in 2017 was $420,174, an increase of 8.6% over 2016. The
price of condos and townhomes increased at a similar rate. In 2017, the median condo or townhome sold in Denver cost $325,000 an increase of 10.2% over 2016. The continued climb of Denver home prices outpaces the trend both regionally and nationally – according to data from the National Association of Realtors, the median sales price of existing homes climbed 5.7% nationally and 7.7% in the West from 2016 to 2017.

**Cost Burdened Households.** The City and its partners measure the need for affordable housing in part based on the number of Denver households who pay more than 30% of their gross income for housing, including utilities. The U.S. Department of Housing and Urban Development (HUD) defines these households as “cost burdened” when it comes to housing. As seen in Figure 2.4 below, over 107,000 total households citywide are considered cost-burdened. Any household paying more than 50% of gross income for housing costs is considered “severely cost burdened.” More than 51,000 total households in Denver are severely cost-burdened. The majority of these households earn less than 80% of the Area Median Income ($47,000 for an individual or up to $83,900 for a family of four). Over 88,000 households earning below 80% AMI are cost-burdened and of these households, over 47,000 are severely cost burdened.

Find a breakdown of cost-burdened households by renters, homeowners, and household size in Figures 2.5—Figures 2.10 of the Appendix.

**Figure 2.4**

<table>
<thead>
<tr>
<th>Area Median Income</th>
<th>Not Cost-Burdened paying less than 30% of income for housing</th>
<th>Cost-Burdened paying 30%-49% of income for housing</th>
<th>Severely Cost Burdened paying 50% or more of income for housing</th>
<th>% paying more than 30% for housing costs</th>
<th>% paying more than 50% for housing costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30% AMI</td>
<td>5,536</td>
<td>7,261</td>
<td>31,133</td>
<td>87%</td>
<td>71%</td>
</tr>
<tr>
<td>31-50% AMI</td>
<td>9,852</td>
<td>15,366</td>
<td>11,649</td>
<td>73%</td>
<td>32%</td>
</tr>
<tr>
<td>51-60% AMI</td>
<td>4,914</td>
<td>7,210</td>
<td>2,156</td>
<td>66%</td>
<td>15%</td>
</tr>
<tr>
<td>61-80% AMI</td>
<td>19,443</td>
<td>11,330</td>
<td>2,459</td>
<td>41%</td>
<td>7%</td>
</tr>
<tr>
<td>81-100% AMI</td>
<td>22,439</td>
<td>7,552</td>
<td>2,037</td>
<td>30%</td>
<td>6%</td>
</tr>
<tr>
<td>101-120% AMI</td>
<td>18,298</td>
<td>3,301</td>
<td>0</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>&gt; 121% AMI</td>
<td>111,638</td>
<td>4,803</td>
<td>1,574</td>
<td>5%</td>
<td>1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>192,120</td>
<td>56,823</td>
<td>51,008</td>
<td>36%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2015 1-Year Estimates, via University of Minnesota Integrated Public Use Microdata Series
Section 3

2018 Housing Investments
SECTION 3.
2018 HOUSING INVESTMENTS

The City’s primary tool for driving the development and preservation of affordable homes is by investing in gap financing in affordable housing development projects. Projects that apply to the Office of Economic Development (OED) are evaluated according to published term sheets, with different terms depending on the type of product. OED updates its published term sheets on an annual basis to align with current market conditions and housing priorities as identified in Housing an Inclusive Denver and this annual action plan. Investments to develop and preserve affordable housing include:

- Leveraging Low Income Housing Tax Credits awarded by the Colorado Housing and Finance Authority to develop and preserve rental housing and supportive housing for residents experiencing homelessness
- Gap financing to acquire and rehabilitate existing income-restricted housing to extend long-term affordability
- Gap financing to develop affordable homeownership opportunities

See Appendix 3 for more information about the City’s typical investment per unit in housing development and preservation.
In addition to creating and preserving affordable homes, the Office of Economic supports partners that administer a variety of housing programs. These programs serve to promote access to affordable housing and stabilize residents at risk of displacement along the housing continuum, such as:

- Downpayment assistance programs to help residents purchase a first home
- Temporary Rental and Utility Assistance to help stabilize residents experiencing a housing crisis to prevent displacement and homelessness
- Home repair programs to help current homeowners make necessary updates to their home and bring them into compliance with building codes

See Appendix 3 for more information about the City’s typical investment into programs.

<table>
<thead>
<tr>
<th>2018 Planned: OED Housing Investments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary – All Funds</strong></td>
<td></td>
</tr>
<tr>
<td>TOTAL STARTING BALANCE 2018 ALL FUNDS</td>
<td>$36,532,395.00</td>
</tr>
<tr>
<td>TOTAL OF ADMIN AND/OR RESERVES*</td>
<td>$(6,083,524.20)</td>
</tr>
<tr>
<td>TOTAL 2018 ALL FUNDS AVAILABLE FOR INVESTMENT</td>
<td>$30,448,870.80</td>
</tr>
<tr>
<td>TOTAL UNCOMMITTED (as of March 31, 2018)</td>
<td>$12,510,877.46</td>
</tr>
</tbody>
</table>

*Reserves include funds that are set aside for a specific purpose, including refunds under the housing linkage fee and rebates for units constructed under the historic IHO.

Figure 2.11

Figure 2.12
The targets along the income spectrum in *Housing an Inclusive Denver* include:

- **40 to 50% of housing resources** to serve residents earning below 30 percent of Area Median Income (AMI) and those experiencing homelessness who are seeking to access or maintain rental housing.
  - 20 - 25% of housing resources to serve residents experiencing homelessness
  - 20 - 25% of housing resources to serve residents earning below 30% AMI
- **20 to 30% of housing resources** to serve residents earning 31 to 80% AMI that are seeking to access or maintain rental housing.
- **20 to 30% of housing resources** to serve residents seeking to become homeowners or remain in homes they already own.

### 2018 Planned: Dedicated Housing Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Revenue Fund 2018 Budget</td>
<td>$13,424,437.00</td>
<td></td>
</tr>
<tr>
<td>Affordable Housing Linkage Fee Revenue Fund 2018 Appropriation</td>
<td>$1,500,000.00</td>
<td></td>
</tr>
<tr>
<td><strong>STARTING BALANCE 2018 LOCAL FUNDS</strong></td>
<td>$14,924,437.00</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL OF ADMIN AND/OR RESERVES</strong></td>
<td>$(1,493,521.20)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL 2018 LOCAL FUNDS AVAILABLE FOR INVESTMENT</strong></td>
<td>$13,430,915.80</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL UNCOMMITTED (as of March 31, 2018)</strong></td>
<td>$2,032,196.46</td>
<td></td>
</tr>
</tbody>
</table>

*Reserves include funds that are set aside for a specific purpose, including refunds under the housing linkage fee and rebates for units constructed under the historic IHO.

Figure 2.13

Figure 2.14

2018 Planned: Dedicated Housing Funds

- Total Budget: $14,924,437
- Funding Buckets: $2,032,196
- Total Funding Buckets: $13,430,916
- Variance: Administration & Refund Reserve not allocated to a funding bucket - $1,493,521

The actual percentages of investments into each population area along the income continuum will differ year to year depending on the City and its partners' pipeline of projects, historic accomplishments under the five-year plan, and market conditions.

The process to secure funding for the development and preservation of affordable housing can take multiple years, with many projects competing for Low

**Figure 2.15**

<table>
<thead>
<tr>
<th>2018 Planned: Federal Housing Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development Block Grants</td>
<td>$ 1,010,000.00</td>
</tr>
<tr>
<td>HOME Funds</td>
<td>$ 3,146,262.00</td>
</tr>
<tr>
<td>Housing and Opportunities for Persons with AIDS</td>
<td>$ 1,612,274.00</td>
</tr>
<tr>
<td>Rental Rehabilitation</td>
<td>$ 2,193,272.00</td>
</tr>
<tr>
<td>Neighborhood Stabilization Program II</td>
<td>$ 52,411.00</td>
</tr>
<tr>
<td>Skyline Housing</td>
<td>$ 4,576,669.00</td>
</tr>
</tbody>
</table>

**TOTAL STARTING BALANCE 2018 FEDERAL FUNDS**

$ 12,590,989.00

**TOTAL OF ADMIN AND/OR RESERVES***

$ (289,262.00)

**TOTAL 2018 OTHER FUNDS AVAILABLE FOR INVESTMENT**

$ 12,301,727.00

**TOTAL UNCOMMITTED (as of March 31, 2018)**

$ 6,822,453.00

*Reserves include funds that are set aside for a specific purpose, including refunds under the housing linkage fee and rebates for units constructed under the historic IHO.

**Figure 2.16**

2018 Planned: Federal Housing Funds

- **Budget**: 1,010,000 (8%)
- **Funding Buckets**: 1,415,000 (11%), 5,893,821 (48%), 2,452,866 (20%), 2,540,040 (21%)
- **Projects**: 289,262 (2%)

Total Budget: $12,590,989
Total Funding Buckets: $12,301,727
Variance: Administration not allocated to funding bucket - $289,262

Total Projects: $12,590,989

Income Housing Tax Credits in multiple annual rounds before receiving an award of tax credits. As such, the Office of Economic Development’s pipeline of affordable development and preservation projects can vary each year depending on these awards and when projects plan to secure financing and begin construction.

**Figure 2.17**

<table>
<thead>
<tr>
<th>2018 Planned: Other Non-Federal Housing Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro Mortgage Assistance</td>
</tr>
<tr>
<td>Revolving Affordable Housing Loan Fund</td>
</tr>
<tr>
<td>Affordable Housing Fund</td>
</tr>
<tr>
<td>Housing for the Mentally Ill</td>
</tr>
<tr>
<td>Neighborhood Stabilization Program II</td>
</tr>
<tr>
<td>Inclusionary Housing Ordinance</td>
</tr>
<tr>
<td><strong>TOTAL STARTING BALANCE 2018 OTHER FUNDS</strong></td>
</tr>
<tr>
<td><strong>TOTAL OF ADMIN AND/OR RESERVES</strong></td>
</tr>
<tr>
<td><strong>TOTAL 2018 OTHER FUNDS AVAILABLE FOR INVESTMENT</strong></td>
</tr>
<tr>
<td><strong>TOTAL UNCOMMITTED (as of March 31, 2018)</strong></td>
</tr>
</tbody>
</table>

*Reserves include funds that are set aside for a specific purpose, including refunds under the housing linkage fee and rebates for units constructed under the historic IHO.

**Figure 2.18**

<table>
<thead>
<tr>
<th>2018 Planned: Other Non-Federal Housing Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Budget: $9,016,969</td>
</tr>
<tr>
<td>Metro Mortgage Assistance: 444,823 (5%)</td>
</tr>
<tr>
<td>Revolving Affordable Housing Loan Fund: 1,556,657 (17%)</td>
</tr>
<tr>
<td>Affordable Housing Fund: 358,208 (4%)</td>
</tr>
<tr>
<td>Housing for the Mentally Ill: 444,823 (5%)</td>
</tr>
<tr>
<td>Neighborhood Stabilization Program II: 52,411 (3%)</td>
</tr>
<tr>
<td>Inclusionary Housing Ordinance: 3,887,281 (43%)</td>
</tr>
</tbody>
</table>

Funding Buckets:
- Homeless: 5,243,197 (59%)
- 0-30% AMI: 2,028,208 (23%)
- 31-80% AMI: 2,270,000 (31%)

Projects:
- Administration: 6,046,228 (67%)
- Development: 200,741 (2%)
- Preservation: 0 (0%)
- Programs: 2,770,000 (31%)

Total Projects: $9,016,969

Variance: Administration not included in funding bucket - $200,741
A portion of projects that are set to close on financing and begin construction in 2018 were awarded tax credits in 2017, prior to the adoption of *Housing an Inclusive Denver*. As such, the projected investments to support these projects in OED’s pipeline are anticipated to be higher in the 31-80% AMI population compared to the plan’s population targets. The Office of Economic Development is taking steps to align the future pipeline with the plan goals as outlined in Section 5.

An additional consideration for the alignment of housing investments with the plan’s population targets is the eligible uses of various funding sources. The City’s dedicated local funds are the most flexible for investment into development, preservation and programs. Federal funds tend to be more restrictive, with lower AMI limits and other eligibility standards for housing investments. Finally, the City’s historic and one-time funds typically have the most restrictions, with some only eligible to serve specific populations or investments types. Detailed information about the specific eligible uses of each funding source for housing is included in Appendix 2.

*Housing an Inclusive Denver* represents a shift from previous planning efforts that have focused primarily on citywide housing strategies with a preference for creation of new units. As such, the City and its partners will measure the effectiveness of housing investments not just by the number of units that are created and preserved, but also by the number of residents that are served through programmatic investments. The five year outcome metrics include:

- Creating at least 2,000 units between 2018 and 2023
- Preserving at least 1,000 units between 2018 and 2023
- Serving at least 20,000 households seeking to access housing between 2018 and 2023
- Serving at least 10,000 households seeking to stabilize in existing housing between 2018 and 2023

As referenced in Figure 2.11, the Office of Economic Development has more than $36 million available for investment into housing development, preservation and programs in 2018. A portion of these resources are set aside for administrative expenses and for reserves, such as rebates under the linkage fee or inclusionary housing ordinance. As of March 31, 2018, approximately $12.5 million are “uncommitted” meaning that they are not currently approved for specific projects or anticipated as a result of the priorities in this annual action plan.
Figures 2.12 – 2.18 provide a breakdown of the available funds in 2018 by source and use into development, preservation and programs as well as the population targets. These planned investments are based on projects and programs currently in the pipeline as of March 31, 2018 and anticipated investments based on the priorities outlined in this plan. Based on these investments and target outcomes, the Housing Advisory Committee has provided a recommendation to the Office of Economic Development that the balance of uncommitted funds in 2018 should be prioritized for development and preservation.

As seen in Figure 2.12 and Figure 2.19, the Office of Economic Development expects to invest at least $27.8 million in 2018 to create more than 620 units and preserve 333 units based on approved and anticipated investments in the housing pipeline. This represents a lower total number of units created or

**Figure 2.19**

### 2018 Target Outcomes Based on Current Housing Investments

<table>
<thead>
<tr>
<th>Category</th>
<th>Approved 2018</th>
<th>Anticipated 2018</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Create Affordability</strong></td>
<td>414 units</td>
<td>206 units</td>
<td>620 units</td>
</tr>
<tr>
<td><strong>Preserve Affordability</strong></td>
<td>188 units</td>
<td>145 units</td>
<td>333 units</td>
</tr>
<tr>
<td><strong>Promote Access</strong></td>
<td>4,359 households (est.)</td>
<td>500 households (est.)</td>
<td>4,859 households (est.)</td>
</tr>
<tr>
<td><strong>Stabilize Residents</strong></td>
<td>2,768 households (est.)</td>
<td>620 households (est.)</td>
<td>3,388 households (est.)</td>
</tr>
</tbody>
</table>

“Approved” indicates projects and programs that are in contracting stages and have been approved by OED. Some funds may still be subject to City Council approval.

“Anticipated” indicates projects and programs that are planned but not yet in final contract stage, including financing for projects that have been awarded competitive tax credits or are currently in an RFP selection process, and investments that are recommended from the 2018 Annual Action Plan.
preserved over 2017 levels. This difference is due to an expected increase in the overall per unit investment from the Office of Economic Development.

The expected increase in gap financing from OED is influenced by a number of factors, including:

- Rising costs of land, labor and materials
- Changes in the federal tax code that impact the pricing of Low Income Housing Tax Credits
- A focus on preservation of existing units which can require a higher per unit contribution from the City compared to new construction
- Changes to OED’s investment structure to align with the priorities of *Housing an Inclusive Denver* to incentivize production and preservation of units affordable for residents earning below 30% AMI and those experiencing homelessness, which typically require a higher per unit contribution from the City compared to higher income units

As seen in Figure 2.12 and Figure 2.19, the Office of Economic Development expects to invest more than $6.5 million in 2018 across a variety of programs aimed at promoting access to housing and stabilizing residents at risk of displacement. Anticipated investments include historically federally funded programs such as tenant counseling programs that help renters navigate their rights under Colorado law or find new rental housing. The City and its partners are also expanding new programs to align with the priorities identified in *Housing an Inclusive Denver* and this annual action plan, including:

- Extension of a pilot started in 2017 to provide Temporary Rental and Utility Assistance (TRUA) to residents experiencing a housing crisis
- Developing a model for investment of the Office of Economic Development’s dedicated local funds for supportive services for residents experiencing homelessness, complementing investments in the Department of Human Services to the extent possible
- Developing a pilot Lower Income Equity Voucher (LIVE) Program to “buy down” affordability of market rate units to a price that is affordable for low and moderate-income residents in partnership with the Denver Housing Authority

In total, the City and its partners expect to serve at least 8,200 households in 2018 through programmatic investments as outlined in this annual action plan and detailed in Appendix 3.
SECTION 4.
2018 PRIORITY STRATEGIES

The 2018 Annual Action Plan represents an overview of the key actions that the City and its partners will take to implement the legislative, regulatory and investment strategies outlined in Housing An Inclusive Denver. The 2018 Annual Action Plan is designed to address current conditions in the Denver housing market and guide the city’s effort to tackle these unique housing challenges. With this in mind, not every recommendation from the five year plan is highlighted for specific key actions in 2018 but will be part of a future annual action plan.

Housing and Affordability Investments

Recommendation 1: Analyze existing housing resources for performance, structure and sustainability. (Future Annual Plan)

Recommendation 2: Explore opportunities to expand existing resources for housing investments.

As part of the implementation of Housing an Inclusive Denver, the City and its partners are focused on evaluating opportunities to leverage and enhance housing investments to the extent possible.
Key Actions in 2018:
- Conduct an in-depth analysis of the costs and benefits of specific funding options to expand and leverage the city’s housing investments, including bonds and “pay-as-you-go” options, as well as the legal and policy directed uses of proceeds for discussion with the Housing Advisory Committee.

Anticipated Timeline: Q1—Q2 2018
Anticipated Investment: Administrative

Recommendation 3: Coordinate housing investments with the City’s other affordability resources.

The City and its partners are focused on coordinating housing and affordability investments to ensure that limited resources are invested as effectively as possible to serve Denver’s low and moderate-income households in need. As part of this effort, the City and its partners are focused on coordinating outreach and communication efforts, policy and programmatic tools, and data collection across city agencies administering housing and affordability resources.

Key Actions in 2018:
- Develop a streamlined city website for housing resources to more effectively connect low and moderate-income residents with programs and opportunities to rent or purchase an affordable home.
- Develop shared marketing materials across city departments for housing resources and target outreach to residents in vulnerable neighborhoods.

Anticipated Timeline: Q1—Q2 2018
Anticipated Investment: Administrative

Recommendation 4: Pursue regional collaboration with partners across the Denver Metro Area to promote inclusive communities. (Future Annual Plan)

Legislative and Regulatory Priorities

Recommendation 1: Strengthen the City’s Preservation Ordinance.

Denver’s Preservation Ordinance is intended to preserve existing income-restricted affordable housing, requiring advanced notice when an owner plans to sell their building or convert affordable units to market-rate housing. When an owner decides to sell his or her property, the City or a selected designee has a right-of-first-refusal, enabling the City to facilitate the acquisition of the property at terms that are consistent with a market offer. The City and its partners will focus in 2018 on strengthening the ordinance through minor ordinance updates and the development of rules and regulations and proactive outreach to owners.
Key Actions in 2018:

- Adopt minor ordinance language updates and supplemental rules and regulations for the Preservation Ordinance that clarify language about right of first refusal and proactive preservation strategies.

- As part of preservation ordinance updates, adopt a higher minimum affordability length for projects receiving city subsidies.

- Coordinate across partners in the Colorado Housing and Finance Authority’s Housing Preservation Network to conduct outreach to all owners with properties that have restrictions expiring in the next five years to explore opportunities to preserve and extend existing affordability.

Anticipated Timeline: Q2–Q3 2018
Anticipated Investment: Administrative

Recommendation 2: Expand and strengthen land use regulations for affordable and mixed-income housing.

In connection with the long-term land use and transportation planning process through Denveright, the City and its partners will take steps in 2018 to ensure that the land use recommendations included from the five-year housing plan are integrated into Blueprint Denver and other supporting plans to promote inclusive communities in Denver. The City and its partners will also focus on adopting and implementing the city’s first height incentive overlay by providing density near transit in exchange for affordable housing.

Key Actions in 2018:

- Collaborate across city agencies and committees to ensure long-term zoning and land use recommendations in Housing an Inclusive Denver are included in the update to Blueprint Denver.

- Develop and implement a height incentive overlay at the 38th and Blake Station area, including the development of rules and regulations aimed at implementing the ordinance.

Anticipated Timeline: Q1–Q4 2018
Anticipated Investment: Administrative

Recommendation 3: Develop more consistent standards for affordable housing in major redevelopment areas. (Future Annual Plan)

Recommendation 4: Enhance protections and assistance for renters, including exploring a rental registry. (Future Annual Plan)
Recommendation 5: Stabilize households through tax relief programs.

The City of Denver already offers several forms of tax relief for seniors and disabled veterans through a number of programs aimed at providing property tax exemptions, deferrals, and rebate payments. The City and its partners will focus in 2018 on broadening participation in existing programs through more robust outreach, and conducting an analysis on the impact that a broader property tax relief program for low and moderate-income residents would have on impacted household and potential revenue sources such as the dedicated housing fund.

Key Action in 2018:

• Promote broader participation among eligible households in existing property tax relief programs.

Anticipated Timeline: Q1–Q4 2018

Anticipated Investment: $3,100,000 from Denver Human Services

Recommendation 6: Explore a framework and methodology for determining a preference in new housing for residents at risk of displacement.

In connection with the upcoming Analysis of Impediments, the City and its partners will take steps in 2018 to explore a policy that provides preference in new affordable housing for residents that have been or are at-risk of displacement. As part of this policy approach, the City and its partners will leverage best practices from peer cities that have developed similar preferences and ensure that any proposed framework and methodology to develop and apply a preference for new projects does not have unintended negative impacts on “protected classes” under the Fair Housing Act.

Key Action in 2018:

• Leverage data collected from the Analysis of Impediments to explore a framework and methodology for a preference policy in new housing based on economic displacement.

Anticipated Timeline: Q2–Q4 2018

Anticipated Investment: Administrative

Recommendation 7: Enhance the existing State Low Income Housing Tax Credit. (Future Annual Plan)
Strategic Use of Land to Support Affordable Housing

Recommendation 1: Leverage publicly owned land for affordable housing development.

As part of an effort to implement Executive Order 100 to identify and prioritize affordable housing when disposing of city owned property, the City and partners will focus in 2018 on proactive steps to conduct a comprehensive analysis of the City and its partners’ current inventory of land and its suitability for affordable housing development.

Key Action in 2018:

- Develop and then evaluate an inventory of land owned by public and quasi-public partners that can be directed towards affordable housing development for residents earning below 30% AMI and those experiencing homelessness.

Anticipated Timeline: Q3—Q4 2018
Anticipated Investment: Administrative

Recommendation 2: Facilitate acquisition of land directly and through partners for housing development. (Future Annual Plan)

Recommendation 3: Explore tools to promote long-term affordability of housing, including land trusts, throughout Denver communities.

Land trusts are typically used to ensure long-term affordability by enabling eligible households or partners to own the property on a site and lease the land underneath it from a management entity. By taking the cost of the land out of the real estate transaction, homes in a land trust can also be more affordable than those on the market. The City and its partners will take steps in 2018 to analyze land trust and land lease models that focus on preservation and long-term affordability, including the elements of successful stewardship and ongoing community engagement.

Key Action in 2018:

- Work collaboratively on the development of a model for community land trust to promote long-term affordability, including analysis of the costs, stewardship needs, and community participation.

Anticipated Timeline: Q2—Q4 2018
Anticipated Investment: To be determined through a competitive procurement process.
Housing for Residents Experiencing Homelessness

Recommendation 1: Expand investments in housing options for residents experiencing homelessness and integrate providers across the housing continuum. (Future Annual Plan)

Recommendation 2: Build housing capacity through policy and funding alignment. (Future Annual Plan)

Recommendation 3: Prioritize supportive services “gap” funding for approved supportive housing projects.
To ensure that long-term housing solutions that serve residents experiencing homelessness integrate necessary supportive services as appropriate, the City and its partners will take steps in 2018 to develop a supportive service model for dedicated housing funds, prioritizing projects in the existing pipeline.

Key Action in 2018:
• Develop criteria for providing operating subsidies from the dedicated affordable housing fund for supportive services in housing developments serving residents experiencing homelessness.

Anticipated Timeline: Q2—Q3 2018
Anticipated Investment: $1,000,000, Property Tax Fund

Affordable and Workforce Rental Housing

Recommendation 1: Preserve existing income-restricted affordable rental housing in vulnerable neighborhoods and near transit.
The City and its partners will work in 2018 to preserve properties with existing income-restrictions, prioritizing preservation opportunities that serve individuals at risk of homelessness, those earning at or below 30% AMI, families, seniors and those with special needs. Funds will be leveraged to the extent possible with other existing tools such as the Regional Transit Oriented Development (TOD) Fund.

Key Action in 2018:
• Develop a bridge finance tool that leverages public and private resources to strategically acquire affordable properties at risk of converting to market rate pricing while long term finance options can be assembled.

Anticipated Timeline: Q2—Q4 2018
Anticipated Investment: $2,770,000, Repurpose of Existing Revolving Affordable Housing Loan Fund
Recommendation 2: Preserve affordability of unsubsidized large-scale affordable rental properties. (Future Annual Plan)

Recommendation 3: Preserve affordability of unsubsidized small-scale affordable rental properties. (Future Annual Plan)

Recommendation 4: Promote programs that help households stay in their existing rental housing through comprehensive eviction assistance.

The City has already taken steps to support renters experiencing a housing crisis by connecting rental assistance programs across the continuum of eviction assistance, especially in neighborhoods at risk of gentrification. The City and its partners will evaluate data collected through the first year of eviction assistance pilot programs and continue to refine program guidelines to assist renters experiencing a housing crisis.

Key Actions in 2018:
- Continue support for Temporary Rental and Utility Assistance aimed at stabilizing households experiencing a housing crisis across the eviction spectrum and in vulnerable neighborhoods.

Anticipated Timeline: Q1—Q4 2018
Anticipated Investment: $1,000,000, Property Tax Fund

Recommendation 5: Promote development of new affordable, mixed-income and mixed-use housing. (Future Annual Plan)

Recommendation 6: Promote programs that help households access affordable rental housing.

Partnerships with market-rate owners can help “buy down” the cost of vacant units to a price point that is affordable for working households, helping to connect low- and moderate-income residents searching for housing options with existing units. In 2018, the City and its partners will implement and evaluate the success of the proposed LIVE Denver program to buy down affordability of existing vacant units.

Key Actions in 2018:
- Develop a formal partnership with the Denver Housing Authority to support and administer the LIVE Denver program and identify property owners to participate in the program. Leverage tenant-based vouchers to the extent possible.

Anticipated Timeline: Q2—Q3 2018
Anticipated Investment: $1,000,000, Property Tax Fund
Attainable Homeownership

Recommendation 1: Promote programs that help households maintain their existing homes.

Nearly half of all cost-burdened homeowners live in vulnerable neighborhoods throughout the city, and with property values rising in these areas, many households are struggling to keep up with the rising costs of taxes and the cost of critical home repairs. In 2018, the City and its partners will focus on stabilizing households at risk of displacement through home repair programs and a pilot program to develop accessory dwelling units to promote wealth building.

Key Actions in 2018:

- Target outreach for existing homeowner rehabilitation programs and other programmatic investments to low and moderate-income homeowners in vulnerable neighborhoods.
- Support development of accessory dwelling units as a tool for wealth building for low- and moderate-income homeowners and to support intergenerational households in vulnerable neighborhoods.

Anticipated Timeline: Q1—Q4 2018

Anticipated Investment (ADU): $500,000, Property Tax Fund
Anticipated Investment (Existing Federal Programs): $3,131,076, CDBG, HOME and HOPWA

Recommendation 2: Promote development of new affordable and mixed-income homeownership stock. (Future Annual Plan)

Recommendation 3: Preserve affordability of existing income restricted homeownership stock.

More than 1,300 homes are currently affordable due to construction under previous programs such as rezoning agreements, the Inclusionary Housing Ordinance, or Large Scale Development Agreements. The City has taken steps historically to remind owners of these units of the requirements of the covenant on their homes, including 1) that homes must be purchased by income eligible buyers, 2) that owners occupy the unit as their primary residence, 3) that the property cannot be used as a rental or investment property, and 4) that the home must be sold within an approved maximum sales price. While reminder letters have been sent to owners periodically, continuing research is needed on the city’s inventory of affordable units to ensure homeowners are in compliance with the requirements of the covenant on these homes.
Key Actions:

- Continue to educate existing homeowners about requirements of the City’s affordable homeownership covenants.
- Conduct in depth analysis of the current inventory of affordable units to ensure compliance with the requirements of the covenant on each home and communicate with homeowners where potential issues are identified.

**Anticipated Timeline:** Q1—Q4 2018  
**Anticipated Investment:** Administrative

*Recommendation 4: Preserve affordability of existing unsubsidized affordable for-sale housing. (Future Annual Plan)*

*Recommendation 5: Promote programs that help households access for-sale housing. (Future Annual Plan)*
Section 5
IMPLEMENTATION
SECTION 5.
IMPLEMENTATION

Implementation of the priorities outlined in this 2018 Annual Action Plan will require partnerships across the City and its public and private partners to leverage limited resources and identify additional resources where possible. Implementation will also require some steps for the City and its Housing Advisory Committee to align structure and action with the priorities outlined in this plan.

1) Office of Economic Development Realignment

To help fortify the City’s efforts to address housing challenges, the Office of Economic Development is realigning the organization of the Housing Division and increasing the number of staff dedicated to housing functions from 10 full-time employees to approximately 25 full-time employees in 2018. The overall restructure of the agency will better support implementation of housing development, preservation of programs to promote inclusive communities in Denver.

Benefits of the realignment include:

- Increased dedicated staff for housing functions
- Focus on compliance with the city’s affordability covenants and agreements
- Enhanced support for financial analysis and forecasting of trends
- Additional support for the Housing Advisory Committee and subcommittees
2) Housing Advisory Committee Structure

As the City and its partners transition from development of the Housing an Inclusive Denver plan to implementation of the recommended strategies, the Housing Advisory Committee will develop subcommittees to facilitate more focused and detailed discussions on action plan priorities. These subcommittees will be staffed by a facilitator and supported by City staff in the Office of Economic Development.

The proposed subcommittees and their focus areas include:

**Finance Subcommittee:**
- Informs plan priorities that are properly reflected in the housing budget
- Monitors federal and state policy/budget changes and their impact on Denver
- Works with Department of Finance to ensure we meet City budget planning timelines
- Explores opportunities to increase capital resources in support of the housing plan

**Production & Preservation Subcommittee:**
- Informs production/preservation goals that are realistic & achievable
- Informs the development of various OED and housing products (loans, performance loans, etc.), informed by the market and leverage additional resources
- Guides alignment of City housing processes with other critical timelines at partner agencies

**Policy & Programs Subcommittee:**
- Provides input to ensure that the City’s policies, staffing and resources are sufficient to support the plan goals
- Reviews and advises on proposed new programs/modifications to existing programs
- Coordinates with other citywide efforts to promote affordability and mixed-income communities such as Denveright and Blueprint Denver
- Coordinates with boards such as the Housing for Those Experiencing Homelessness Advisory Committee to serve residents along the housing continuum

3) Evaluation of Housing Programs

As part of the implementation of the strategies outlined in the Housing an Inclusive Denver plan, members of the Housing Advisory Committee have recommended that City agencies evaluate the existing programmatic investments across the Office of Economic Development and the Department of Human Services according to the fundamental values and goals identified in the five-year plan. While the components of a program evaluation are a topic for additional discussion with the HAC Policy and Program Subcommittee into 2018, analysis of existing and planned investments could include:
• A focus on outcomes not just outputs of housing investments, for example, measuring the number of households served (outputs) as well as the kind of amenities the household was able to access through the housing programs, such as high quality schools, transit or health care (outcomes)

• Identifying a clear “front door” for new programmatic investments

4) 2018 Term Sheet Updates

In 2017, the Office of Economic Development created and publicized a set of term sheets, which provided a discrete and standardized set of financing products to the City’s development community. The term sheets were developed with the goal of creating predictability and transparency for the City’s borrowers, and to promote a streamlined underwriting and decision-making process for City staff.

In 2017, OED’s term sheets also included incentives to guide the development community toward the City’s policy goals. As an example, the City offered a performance loan (performance-based grant funding) – as opposed to a repaying loan – to developments that restricted over 25% of their units for residents earning at or below 30% of AMI, in an effort to encourage the creation of housing for very low-income residents. In 2017, OED found that borrowers responded to that incentive by increasing the percentage of units restricted at that level to a point that made them eligible for the forgivable performance loan.

As part of the implementation of this annual action plan in 2018, OED is both reflecting on the outcomes of its 2017 term sheet limits and looking forward toward how best to incentivize developments that support the goals of Housing an Inclusive Denver. During spring and summer 2018, OED will be working to analyze the impact of its term sheets on borrower requests for financing, the affordability levels within development and preservation projects, and on the department’s loan processing efforts. In collaboration with internal and external stakeholders, OED will work to adjust its financing products where needed to increase impact, and will introduce incentives that will support movement toward achieving the goals of the Comprehensive Housing Plan. With a consideration for factors such as rising development costs, changes to the federal tax code, alignment with the priorities of Housing an Inclusive Denver, and initial feedback from partners, the City is expecting an increase in the request for gap financing for affordable housing development and preservation in 2018. OED anticipates that its revised term sheets will be published in early-mid summer.

5) Housing Applications Revisions

In 2017, OED revised its application materials to publicize the City’s priorities (for example, housing targeted toward lower income households or special populations, and housing in locations with good access to opportunity, etc.) and
(for example, housing targeted toward lower income households or special populations, and housing in locations with good access to opportunity, etc.) and reinforce the incentives apparent in the Term Sheets. In 2018, OED staff will work with the HAC Production and Preservation Subcommittee to revise the application to fully reflect the priorities outlined in *Housing an Inclusive Denver*.

6) **Balance of Competitive and Rolling Investment Opportunities**

Historically, the Office of Economic Development has invested housing development and preservation funds partly on a rolling basis and partly on a competitive or time-limited basis. Rolling applications allow flexibility for projects to respond to market conditions and catalytic investment opportunities. Alternatively, investments funded through competitive procurement processes can more specifically address desired outcomes in prospective projects and allow for more effective comparison between projects in a given year, according to established priorities.

OED uses time-limited applications when evaluating Low Income Housing Tax Credit applications in the Colorado Housing and Finance Authority’s competitive 9% and 4%+State rounds. For those comparisons, OED evaluates projects using multiple criteria, including how well they meet the City's priorities and how efficiently they use City funds. In 2018, OED staff will work with the HAC Production and Preservation Subcommittee to assess the efficacy of evaluation tools in assisting us to choose the projects that best meet the City’s goals.

OED uses a competitive Request for Proposals (RFP) process when choosing a partner to accomplish a specific development objective. In 2018, OED used a Request for Qualifications (RFQ) process to select a set of pre-qualified preservation partners, to whom OED then issues an RFP when the City is notified of a specific preservation opportunity. OED also intends to use a competitive RFP process in 2018 to choose developers for the two East Colfax sites that the City purchased in 2017.

As the Office of Economic Development begins implementation of *Housing an Inclusive Denver*, the agency will seek input from members of the Housing Advisory Committee and other stakeholders about the most effective balance of flexible and competitive investments to drive outcomes identified through the core goals of the Plan.

7) **Housing Investment Dashboard**

In 2018, OED will develop and maintain a public facing dashboard containing information and data visualizations related to housing development, preservation, and program outcomes and funding. This dashboard will provide transparency regarding the City’s housing investments, activities and outcomes, and will allow stakeholders and policy makers to track the City’s progress towards the goals outlined in the five-year plan.
APPENDIX 1. SUPPORTING TABLES

Figure 2.3 Change in Median Rent vs. Same Quarter 1 Year Ago

![Graph showing change in median rent vs. same quarter 1 year ago.]

Source: Apartment Association of Metro Denver, Quarterly Rent & Vacancy Survey

Figure 2.5

<table>
<thead>
<tr>
<th>Area Median Income</th>
<th>Not Cost-Burdened</th>
<th>Cost-Burdened</th>
<th>Severely Cost Burdened</th>
<th>% paying more than 30% for housing costs</th>
<th>% paying more than 50% for housing costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>paying less than 30% of income for housing</td>
<td>paying 30%-49% of income for housing</td>
<td>paying 50% or more of income for housing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 30% AMI</td>
<td>1,310</td>
<td>2,151</td>
<td>7,326</td>
<td>88%</td>
<td>68%</td>
</tr>
<tr>
<td>31-50% AMI</td>
<td>5,117</td>
<td>4,160</td>
<td>3,713</td>
<td>61%</td>
<td>29%</td>
</tr>
<tr>
<td>51-60% AMI</td>
<td>2,552</td>
<td>2,193</td>
<td>624</td>
<td>52%</td>
<td>12%</td>
</tr>
<tr>
<td>61-80% AMI</td>
<td>8,382</td>
<td>4,140</td>
<td>894</td>
<td>38%</td>
<td>7%</td>
</tr>
<tr>
<td>81-100% AMI</td>
<td>9,576</td>
<td>3,034</td>
<td>567</td>
<td>27%</td>
<td>4%</td>
</tr>
<tr>
<td>101-120% AMI</td>
<td>9,731</td>
<td>2,216</td>
<td>0</td>
<td>19%</td>
<td>0%</td>
</tr>
<tr>
<td>&gt; 121% AMI</td>
<td>74,638</td>
<td>3,572</td>
<td>736</td>
<td>5%</td>
<td>1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>111,306</td>
<td>21,466</td>
<td>13,860</td>
<td>24%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2015 1-Year Estimates, via University of Minnesota Integrated Public Use Microdata Series
### Figure 2.6

<table>
<thead>
<tr>
<th>Area Median Income</th>
<th>Not Cost-Burdened</th>
<th>Cost-Burdened</th>
<th>Severely Cost Burdened</th>
<th>% paying more than 30% for housing costs</th>
<th>% paying more than 50% for housing costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30% AMI</td>
<td>4,226</td>
<td>5,110</td>
<td>23,807</td>
<td>87%</td>
<td>72%</td>
</tr>
<tr>
<td>31-50% AMI</td>
<td>4,735</td>
<td>11,206</td>
<td>7,936</td>
<td>80%</td>
<td>33%</td>
</tr>
<tr>
<td>51-60% AMI</td>
<td>2,362</td>
<td>5,017</td>
<td>1,532</td>
<td>73%</td>
<td>17%</td>
</tr>
<tr>
<td>61-80% AMI</td>
<td>11,061</td>
<td>7,190</td>
<td>1,565</td>
<td>44%</td>
<td>8%</td>
</tr>
<tr>
<td>81-100% AMI</td>
<td>12,863</td>
<td>4,518</td>
<td>1,470</td>
<td>32%</td>
<td>8%</td>
</tr>
<tr>
<td>101-120% AMI</td>
<td>8,567</td>
<td>1,085</td>
<td>0</td>
<td>11%</td>
<td>0%</td>
</tr>
<tr>
<td>&gt; 121% AMI</td>
<td>37,000</td>
<td>1,231</td>
<td>838</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>80,814</td>
<td>35,357</td>
<td>37,148</td>
<td>47%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2015 1-Year Estimates, via University of Minnesota Integrated Public Use Microdata Series

### Figure 2.7

<table>
<thead>
<tr>
<th>Area Median Income</th>
<th>Total Households 2016</th>
<th>Change from 2015</th>
<th># (%) Cost-Burdened (2016)</th>
<th># (%) Severely Cost Burdened (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Change from 2015</td>
<td>paying 30%-49% of income for housing</td>
<td>paying 50% or more of income for housing</td>
</tr>
<tr>
<td>All Denver Renter Households</td>
<td>146,005</td>
<td>690</td>
<td>36,603 (25%)</td>
<td>34,543 (24%)</td>
</tr>
<tr>
<td>Earning &lt; $10,000</td>
<td>15,148</td>
<td>-1,912</td>
<td>1,318 (9%)</td>
<td>8,742 (58%)</td>
</tr>
<tr>
<td>Earning $10,000 - $19,999</td>
<td>18,268</td>
<td>1,399</td>
<td>2,959 (16%)</td>
<td>12,540 (69%)</td>
</tr>
<tr>
<td>Earning $20,000 - $34,999</td>
<td>24,244</td>
<td>-1,358</td>
<td>10,614 (44%)</td>
<td>10,626 (44%)</td>
</tr>
<tr>
<td>Earning $35,000 - $49,999</td>
<td>22,384</td>
<td>185</td>
<td>10,634 (48%)</td>
<td>2,118 (9%)</td>
</tr>
<tr>
<td>Earning $50,000 - $74,999</td>
<td>27,445</td>
<td>303</td>
<td>9,411 (34%)</td>
<td>453 (2%)</td>
</tr>
<tr>
<td>Earning &gt; $75,000</td>
<td>38,516</td>
<td>2,073</td>
<td>1,667 (4%)</td>
<td>64 (0%)</td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2015 & 2016 1-Year Estimates
### Figure 2.8

**ALL HOUSEHOLDS, CITY AND COUNTY OF DENVER, 2015**

<table>
<thead>
<tr>
<th>Household Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Cost Burdened</td>
<td>55,956</td>
<td>49.8%</td>
<td>77,184</td>
<td>76.2%</td>
<td>24,158</td>
</tr>
<tr>
<td>Cost Burdened</td>
<td>26,589</td>
<td>23.7%</td>
<td>14,400</td>
<td>14.2%</td>
<td>5,141</td>
</tr>
<tr>
<td>Severely Cost Burdened</td>
<td>29,840</td>
<td>26.6%</td>
<td>9,744</td>
<td>9.6%</td>
<td>5,962</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>112,385</strong></td>
<td><strong>101,328</strong></td>
<td><strong>35,261</strong></td>
<td><strong>25,376</strong></td>
<td><strong>25,601</strong></td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2015 1-Year Estimates, via University of Minnesota Integrated Public Use Microdata Series

### Figure 2.9

**HOUSEHOLDS EARNING LESS THAN 80% AMI, CITY AND COUNTY OF DENVER, 2015**

<table>
<thead>
<tr>
<th>Household Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Cost Burdened</td>
<td>17,748</td>
<td>27.3%</td>
<td>10,925</td>
<td>36.5%</td>
<td>3,824</td>
</tr>
<tr>
<td>Cost Burdened</td>
<td>19,339</td>
<td>29.7%</td>
<td>10,154</td>
<td>33.9%</td>
<td>3,620</td>
</tr>
<tr>
<td>Severely Cost Burdened</td>
<td>28,035</td>
<td>43.0%</td>
<td>8,844</td>
<td>29.6%</td>
<td>5,814</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>65,122</strong></td>
<td><strong>29,923</strong></td>
<td><strong>13,258</strong></td>
<td><strong>9,792</strong></td>
<td><strong>10,184</strong></td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2015 1-Year Estimates, via University of Minnesota Integrated Public Use Microdata Series

### Figure 2.10

**2017 Denver Income Limits**

<table>
<thead>
<tr>
<th>Area Median Income</th>
<th>1 person</th>
<th>2 persons</th>
<th>3 persons</th>
<th>4 persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI</td>
<td>$17,650</td>
<td>$20,150</td>
<td>$22,650</td>
<td>$25,150</td>
</tr>
<tr>
<td>50% AMI</td>
<td>$29,400</td>
<td>$33,600</td>
<td>$37,800</td>
<td>$41,950</td>
</tr>
<tr>
<td>60% AMI</td>
<td>$35,280</td>
<td>$40,320</td>
<td>$45,360</td>
<td>$50,430</td>
</tr>
<tr>
<td>80% AMI</td>
<td>$47,000</td>
<td>$53,700</td>
<td>$60,400</td>
<td>$67,100</td>
</tr>
<tr>
<td>100% AMI</td>
<td>$58,800</td>
<td>$67,200</td>
<td>$75,600</td>
<td>$83,900</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Housing and Urban Development
### SOURCE | ELIGIBLE USES
--- | ---
**$15M** - Property Tax Revenue  
<sup>DRMC 27-150(c)</sup> | - Development and preservation of rental up to 80% AMI  
- Development and preservation of for-sale up to 100% AMI  
- Homebuyer assistance up to 120% AMI (incl. DPA & mortgage assistance)  
- PSH including services (no more than 10% of annual revenue)  
- Programs for “low-income at-risk” individuals in danger of losing housing, to mitigate displacement, for emergency repairs, or other programs  
- 8% for admin

**$15M** - Linkage Fee Revenue  
<sup>DRMC 27-150(b)</sup> | - “Increase supply” of rental and for-sale up to 80% AMI  
- Renter assistance programs up to 80% AMI  
- Homebuyer assistance programs up to 80% AMI (incl. DPA & mortgage assistance)

Metro Mortgage Assistance  
<sup>Ord. No. 15-0584</sup> | - Primary purpose to provide funding for down payment and mortgage assistance  
- “Affordable housing related activities as approved by the Manager of Finance and the Director of OED”  
- No staff costs

Inclusionary Housing Ordinance  
<sup>DRMC 27-103(z)</sup> | - Primary purpose to fund future IHO incentive payments  
- “Creation or preservation of affordable housing in accordance with applicable City plans”  
- “Consider” spending funds generated from high-need zones in high-need zones  
- 5% for admin if available

Revolving Affordable Housing Loan Fund  
<sup>RAHLF Program Guidelines (Master Funding Agreement Exh. B-1)</sup> | - Development and acq/rehab of rental up to 80%  
- Acquisition (land or property), hard and soft costs  
- Not for LIHTC-permitted “commercial property costs”; no hotels, motels, hospitals, nursing homes, dormitories, frat houses, sanitariums, or working capital  
- Interest rate is 30-day LIBOR + 2.6% (currently = 4.38%)

Housing for the Mentally Ill  
Goebel Lawsuit - 764 P.2d 785; 1988 Colo. LEXIS 200; 12 BTR 1614; settlement reached in 1994 whereby Colorado funds treatment services at City-provided housing  
Provide housing units for the mentally ill

Affordable Housing Fund  
<sup>Ord. No. 681 (2000) and 1030 (2000)</sup> | - This is a fund that holds excess TABOR revenues. Ord 681 said these revenues would be used exclusively for affordable housing and transportation. Ord 1080 allocated $2.4M to the Affordable Housing for the below purposes:  
- Low-income and Section 8 housing  
- Development incentives  
- Lead-based paint abatement
## CITY AND COUNTY OF DENVER
### FUNDING SOURCES FOR AFFORDABLE HOUSING

<table>
<thead>
<tr>
<th>Source</th>
<th>Eligible Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOME Funds</strong>&lt;br&gt;24 CFR 92-205 through 92-217</td>
<td>• New construction, acquisition, and rehab of permanent or transitional housing (rental and for-sale); including hard costs, site improvements, acquisition related to construction, related soft costs, refi of existing debt on a rehab, and relocation assistance&lt;br&gt;• Programs: Tenant Based Rental Assistance (TBRA), down payment assistance&lt;br&gt;• For TBRA &amp; rental units 90% of households must be 60% AMI and remainder 80% AMI; homeownership &amp; DPA can be 80% AMI&lt;br&gt;• NOT for public housing units except HOPE VI&lt;br&gt;• CHDO operating expenses (up to 25% of grant amount)&lt;br&gt;• 15% of grant amount is set aside for CHDOs to build affordable projects&lt;br&gt;• 10% for admin and planning&lt;br&gt;• Federal funds restrictions include: Davis-Bacon wages (if 12+ units funded by HOME), Section 3, environmental review</td>
</tr>
<tr>
<td><strong>Community Development Block Grant</strong>&lt;br&gt;24 CFR 570-201 &amp; 570-206</td>
<td>• Acquisition or long-term lease of real property for any public purpose&lt;br&gt;• Cannot be used to build rental housing&lt;br&gt;• Can be used for construction or acq/rehab of public facilities including shelters for the homeless, &quot;halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons; and temporary housing for disaster victims&quot; – but if owned by subrecipient, must be open for use by general public&lt;br&gt;• Demolition and remediation of any buildings/improvements; predevelopment costs including market studies, and some financing costs&lt;br&gt;• Fair housing enforcement, education and outreach&lt;br&gt;• Landlord outreach to increase participation in Section 8&lt;br&gt;• Public Services programs, incl. housing counseling, DPA (up to 15% of grant amount)&lt;br&gt;• Federal funds restrictions include: Davis-Bacon wages, Section 3, environmental review</td>
</tr>
<tr>
<td><strong>Skyline Housing</strong>&lt;br&gt;Ord. No. 223 (1986) and attached “Expenditure Program for Skyline Funds”, March 18, 1986</td>
<td>• Governed by CDBG rules except can also be used to construct rental housing&lt;br&gt;• Primary purpose to provide additional housing opportunities to low/mod families and revitalize neighborhoods through new housing and rehab&lt;br&gt;• Innovative housing solutions encouraged&lt;br&gt;• return vacant/boarded up buildings to use (acquisition and repair)&lt;br&gt;• finance rehab of rental apartment buildings and SF homes&lt;br&gt;• finance construction of new housing&lt;br&gt;• provide funds for creative housing programs&lt;br&gt;• provide grants for selected projects including housing for low income HHs&lt;br&gt;• provide housing services and related housing activities&lt;br&gt;• Funds must revolve&lt;br&gt;• 51% must be spent on low/mod income residents&lt;br&gt;• Should have visible impact on community&lt;br&gt;• Federal funds restrictions include: Davis-Bacon wages, Section 3, environmental review</td>
</tr>
</tbody>
</table>
### CITY AND COUNTY OF DENVER

#### FUNDING SOURCES FOR AFFORDABLE HOUSING

<table>
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</thead>
</table>
| Rental Rehabilitation 24 CFR 511 | - These are grant funds  
- Purpose is to provide affordable, standard housing for low-income families – generally requires that 100% of funds be used for low-income  
- increase units for use by housing voucher and Sec 8 certificate holders  
- sufficient certificates/vouchers must be made available to families in Rental Rehab projects who are required to move out because of physical rehab activities or overcrowding and, at PHA’s discretion, to help families whose post-rehab rents would exceed 30% of their income  
- equitable share of funds spent on housing for families with children, esp. units with 3 or more bedrooms  
- At least 70% of funds spent on units with 2 or more bedrooms  
- Only used in neighborhoods where the median family income is <80% of the Denver SMSA median income  
- Only used in neighborhoods where the rents for standard units are generally affordable to low-income families at the time of the selection of the neighborhood, and the neighborhood rents are not likely to increase at a rate significantly greater than the rate for rent increases that can be reasonably anticipated to occur in the market are for the five-year period following the selection of the neighborhood  
- After rehab, units must meet at least Sec. 8 Housing Quality Standards  
- Projects must be primarily residential rental use (eg, >51%, except for 2-story buildings)  
- Projects must be in private ownership or have a plan to transfer to private  
- May be used for manufactured housing under certain conditions  
- Eligible costs include those to: correct substandard conditions, make essential improvements (including energy-related), permit handicapped accessibility, lead abatement, repair major housing systems in danger of failure, soft costs, relocation payments for those displaced by the rehab, information services to tenants  
- Some pre-commitment costs are eligible, under certain circumstances  
- Projects are not to be converted to condos, converted to another use, or sold for 10 years, and a covenant and lien must be recorded to this effect  
- Grants cannot exceed 50% of total project costs, with some exceptions  
- No more than $5,000 per unit for studios, $6,500 for 1-BR, $7,500 for 2-BR, $8,500 per unit for 3 or more bedrooms, except HUD may approve higher amounts (up to 240% of the original limits) in areas of high material and labor costs  
- Up to 10% admin usable for granting entity  
- HUD may de-obligate funds not committed within 3 years or spent within 5 years, after consultation with the grantee  
- Federal funds restrictions include: Davis-Bacon wages, Section 3, environmental review |
## FUNDING SOURCES FOR AFFORDABLE HOUSING

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<th>Source</th>
<th>Eligible Uses</th>
</tr>
</thead>
</table>
| Neighborhood Stabilization Program II OED NSP2 application and Federal Register Vol 81, No. 114, pp 38730-38732 | - Second mortgages, including counseling, marketing, project delivery
- Acq/Rehab SF and MF for-sale and rental including marketing/project delivery
- Land banking
- Demolition
- Property redevelopment
- Admin up to 10% of total
- Can serve families up to 120% AMI
- At least 25% of funds and program income used for <50% AMI families
- After closeout, NSP program income may be transferred to CDBG program and will become CDBG program income |


APPENDIX 3. DEVELOPMENT, PRESERVATION AND PROGRAM TOOLS

CORE GOALS FROM HOUSING AN INCLUSIVE DENVER

Create affordable housing in vulnerable areas AND in areas of opportunity by focusing on production that considers specific neighborhood conditions, including areas vulnerable to displacement and neighborhoods that have strong amenities such as transit, jobs, high quality education and health care. Measurable outcomes from investment and policies under this core goal include new units created.

<table>
<thead>
<tr>
<th>Tool</th>
<th>Description of Tool</th>
<th>Per Unit/ Household Cost</th>
<th>AMI Limits</th>
<th>Typical AMI Served</th>
<th>Minimum Affordability Length</th>
<th>Typical/ Anticipated Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>Acquisition of land for development of affordable housing.</td>
<td>$25,000 (up to)</td>
<td>0-80%</td>
<td>0-80%</td>
<td>30+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
<tr>
<td>4% LIHTC (non-competitive)</td>
<td>Increases feasibility of 4% LIHTC projects and incentivizes more units at 30% and 40% AMI.</td>
<td>$25,000 (up to)</td>
<td>0-60%</td>
<td>0-60%</td>
<td>30+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
<tr>
<td>4%/State LIHTC (competitive)</td>
<td>Incentivizes more units at 30% and 40% AMI.</td>
<td>$15,000 (up to)</td>
<td>0-60%</td>
<td>0-60%</td>
<td>30+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
<tr>
<td>9% LIHTCs (competitive)</td>
<td>Incentivize more units at 30% and 40% AMI.</td>
<td>$10,000 (up to)</td>
<td>0-60%</td>
<td>0-60%</td>
<td>30+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
<tr>
<td>Non-tax credit gap financing</td>
<td>Stimulates more 80% AMI or lower units within market rate developments.</td>
<td>$25,000 (up to)</td>
<td>0-80%</td>
<td>0-80%</td>
<td>20+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
<tr>
<td>For Sale Development</td>
<td>Construction of for-sale units for 80% of AMI or lower.</td>
<td>$15,000 (up to)</td>
<td>0-80%</td>
<td>0-80%</td>
<td>20+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
</tbody>
</table>
**CORE GOALS FROM HOUSING AN INCLUSIVE DENVER**

*Preserve affordability and housing quality* by investing to maintain affordability in non-subsidized units and preserving or continuing affordability of existing publicly subsidized affordable housing. Measurable outcomes from investment and policies under this core goal include **existing units preserved**.

### Tools to Preserve Affordability Based on 2017 Term Sheets

<table>
<thead>
<tr>
<th>Tool</th>
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<th>Per Unit/Household Cost</th>
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<th>Typical/Anticipated Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Acquisition</td>
<td>For acquisition and preservation of existing affordable housing (income restricted or naturally occurring).</td>
<td>$50,000 (up to)</td>
<td>0-80%</td>
<td>0-80%</td>
<td>30+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
<tr>
<td>4% LIHTC (non-competitive)</td>
<td>Increases feasibility of 4% LIHTC projects and incentivizes more units at 30% and 40% AMI.</td>
<td>$25,000 (up to)</td>
<td>0-60%</td>
<td>0-60%</td>
<td>30+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
<tr>
<td>4%/State LIHTC (competitive)</td>
<td>Incentivizes more units at 30% and 40% AMI</td>
<td>$15,000 (up to)</td>
<td>0-60%</td>
<td>0-60%</td>
<td>30+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>For the rehabilitation and preservation of existing affordable housing (income restricted or naturally all other projects all other projects occurring).</td>
<td>$50,000 (up to)</td>
<td>0-80%</td>
<td>0-80%</td>
<td>30+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
<tr>
<td>Non-tax credit gap financing</td>
<td>For-sale preservation</td>
<td>$25,000 (up to)</td>
<td>0-80%</td>
<td>0-80%</td>
<td>30+ Years</td>
<td>Federal and Local—project dependent</td>
</tr>
</tbody>
</table>
CORE GOALS FROM HOUSING AN INCLUSIVE DENVER

Promote equitable and accessible housing options by supporting programs and policies that help residents across the housing continuum access affordable housing. Measurable outcomes from investment and policies under this core goal include residents served through program investments or policy actions.

<table>
<thead>
<tr>
<th>Tool</th>
<th>Description of Tool</th>
<th>Per Unit/ Household Cost</th>
<th>AMI Limits (based on 2017 outcomes)</th>
<th>Typical AMI Served</th>
<th>Minimum Affordability Length</th>
<th>Typical/ Anticipated Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supportive Services</td>
<td>Mental/behavioral health services for people experiencing homelessness living in permanent supportive housing</td>
<td>$10,000</td>
<td>Homeless</td>
<td>Homeless</td>
<td>TBD</td>
<td>Property Tax Fund</td>
</tr>
<tr>
<td>(note: new program not yet approved)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeownership counseling</td>
<td>Housing counseling and education for low/moderate income households seeking to purchase, maintain and retain homes</td>
<td>$103</td>
<td>0-80%</td>
<td>0-80%</td>
<td>One-time</td>
<td>Community Development Block Grants</td>
</tr>
<tr>
<td>Downpayment assistance</td>
<td>Downpayment assistance for purchase of home</td>
<td>$10,000</td>
<td>0-80%</td>
<td>0-80%</td>
<td>One-time</td>
<td>Community Development Block Grants</td>
</tr>
<tr>
<td>Housing and Opportunities for Persons with AIDS assistance</td>
<td>Tenant Based Rental Assistance (TBRA), Short Term Rent Mortgage Utility Assistance, Supportive Services, and Permanent Housing Placement programs for persons with AIDS.</td>
<td>$1,000</td>
<td>0-80%</td>
<td>0-30%/ Homeless</td>
<td>One-time</td>
<td>HOPWA Funds</td>
</tr>
<tr>
<td>LIVE Denver Program</td>
<td>Creates immediate affordable housing options by connecting vacant rental units with working families and individuals.</td>
<td>$2,500</td>
<td>0-80%</td>
<td>TBD</td>
<td>One-time (2 Year pilot)</td>
<td>Property Tax Fund</td>
</tr>
</tbody>
</table>
CORE GOALS FROM HOUSING AN INCLUSIVE DENVER

Stabilize residents at risk of involuntary displacement by supporting programs and policies that help a resident maintain their existing housing or stay in their community. Measurable outcomes from investment and policies under this core goal include residents served through program investments or policy efforts.

<table>
<thead>
<tr>
<th>Tool</th>
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<tbody>
<tr>
<td>Accessory Dwelling Units Program (note: new program not yet approved)</td>
<td>Homeowner education forums, connections to trusted refinance and rehabilitation providers, and an ADU education and development program for qualifying homeowners.</td>
<td>$25,000</td>
<td>0-80%</td>
<td>TBD</td>
<td>One-time</td>
<td>TBD, Dependent on program guidelines</td>
</tr>
<tr>
<td>Property Tax Rebates</td>
<td>Not OED funding</td>
<td>$500</td>
<td>0-30%</td>
<td>0-30%</td>
<td>One-time</td>
<td>General Fund</td>
</tr>
<tr>
<td>Single Family Home Repair</td>
<td>To provide low- and no-interest rehabilitation loans to income-qualified homeowners.</td>
<td>$42,000</td>
<td>0-80%</td>
<td>36% (0-30%), 50% (30-50%), 14% (50-80%)</td>
<td>One-time</td>
<td>HOME Funds</td>
</tr>
<tr>
<td>Emergency Home Repair</td>
<td>No-interest emergency repair loans to income-qualified homeowners to address needs such as plumbing, electrical, heating, roof, sewer and other systems that may pose an immediate danger to the health and safety of the household.</td>
<td>$7,400</td>
<td>0-50%</td>
<td>67% (0-30%), 33% (30-50%)</td>
<td>One-time</td>
<td>Community Development Block Grants</td>
</tr>
</tbody>
</table>
Stabilize residents at risk of involuntary displacement by supporting programs and policies that help a resident maintain their existing housing or stay in their community. Measurable outcomes from investment and policies under this core goal include residents served through program investments or policy efforts.

### Tools to Stabilize Residents at Risk of Displacement con’t.

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</tr>
</thead>
<tbody>
<tr>
<td>Rental and Homeowner Modification Program</td>
<td>To remove architectural barriers for income-qualified persons with disabilities in their owner-occupied and rental units.</td>
<td>$9,000</td>
<td>0-50%</td>
<td>41% (0-30%) 59%(30-50%)</td>
<td>One-time</td>
<td>Community Development Block Grants</td>
</tr>
<tr>
<td>Tenant Counseling</td>
<td>Tenant/Landlord Rights and Related Housing Information and Referral Services program.</td>
<td>$30</td>
<td>0-80%</td>
<td>0-30%</td>
<td>One-time</td>
<td>Community Development Block Grants</td>
</tr>
<tr>
<td>Rental and Utility Assistance</td>
<td>Rental and utility assistance: Includes Tenant Based Rental Assistance (TBRA) and Temporary Rental and Utility Assistance (TRUA) Program</td>
<td>TRUA: $1,700 TBRA: $10,000</td>
<td>0-80% TRUA 0-60% TBRA</td>
<td>0-30% TRUA Homeless TBRA TRUA-up to 6 months of rental assistance, up to two months of utility assistance TBRA-up to two years</td>
<td>TRUA: Property Tax Fund TBRA: HOME funds</td>
<td></td>
</tr>
</tbody>
</table>