ORDINANCE FEATURES THAT STAY THE SAME

I. No Change to the City-wide Build Requirement (Ord. Sec.105(a))
   - Default remains 10% city-wide
   - Default is homes affordable to 80% of AMI -- 95% of AMI for “high cost” structures with underground parking and elevators (typically 8-story and above)
   - Default length of affordability is 15 years

II. No Change to 30-unit Threshold Triggering Ordinance (Ord. Sec.105(a))
   - History since 2002 indicates lowering would create small number of additional units

III. Provisions for Voluntary Participation to Access Incentives
   - For-sale projects of fewer than 30 units
   - Rental projects (although more details moved to regulations, allowing for easier updating) (Ord. Sec.114)

IV. Annual Report by OED (Ord. Sec.120)
   - Every 12 months
   - Similar to the original ordinance, this version has a public hearing and full evaluation of the ordinance built-in – within 5 years of passage of changes
   - NEW – Mayor’s Housing Advisory Committee to provide oversight (Housing Plan)

ORDINANCE FEATURES THAT CHANGE

I. An Enhanced Culture of Flexibility (Ord. Sec.106(b))
   - Explicit support for alternative satisfaction, providing developers more options to create units on-site or off-site that may work better for their proforma
   - Requirement for OED to provide developers interested in alternative satisfaction assistance in developing proposals to do so (OED has committed to hire an Independent Advisor to provide technical assistance and support to developers)

Details of Flexibility
In lieu of building the required number of MPDUs, when consistent with the plans, rules, regulations, and policies of the department of Community Planning and Development and OED, the director may approve an alternative plan to:
   - Build fewer MPDUs with more total bedrooms
   - Build fewer MPDUs at affordability levels lower than the typical AMI required
   - Build fewer MPDUs for populations of special need or high priority (for example, fully accessible)
   - Build fewer MPDUs for a longer control period; or
   - Build more rental MPDUs in lieu of for-sale

This Flexibility can be used on or off-site. Off-site alternatives are limited to:
   - The same or proximate statistical neighborhood
   - Within five-tenths (.5) miles of a light rail or commuter rail station
II. Variable Cash in Lieu/Incentives by Neighborhood Zones (Ord. Sec.106 and Sec.107 Regs.)

- Median for-sale home prices and proximity to transit used to create three zones by statistical neighborhood
- Per-unit incentive payments and cash-in-lieu will vary based on zones
  - Up to $25,000/unit for incentive (Sec. 107(a))
  - Up to 100% of AMI for buyout (Ord. Sec.106(b)(1)(G))
- Zones and amounts determined in regulations, so can be evaluated and adjusted every 2-3 years, if needed
- A $5,000 bonus incentive for providing deeper affordability to 60% of AMI (not due to an alternative/flexible plan) (Ord. Sec.107(a))

Details of Zones (to be adopted by regulation following ordinance passage)

<table>
<thead>
<tr>
<th>Zone</th>
<th>Cash In Lieu</th>
<th>Cash Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>High (15% of city)</td>
<td>70% of Sales Price</td>
<td>$25,000 per unit</td>
</tr>
<tr>
<td>Medium (60% of city)</td>
<td>50% of Sales Price (Existing)</td>
<td>$6,500 per unit (Existing adjusted by inflation)</td>
</tr>
<tr>
<td>Low (25% of city)</td>
<td>25% of Sales Price</td>
<td>$2,500 per unit*</td>
</tr>
<tr>
<td></td>
<td>*Except within ½ mile of transit, which receives the medium incentive</td>
<td></td>
</tr>
</tbody>
</table>

III. Removing the Limit on Incentive Payments in a Year (Ord. Sec.107(a))

- High-cost condo structures that cannot phase their affordable homes, like a single-family home developer could, will NOT be subject to the $250,000 annual incentive payment limit, and can receive the entire incentive they are due

IV. Smaller Threshold for Site-wide Agreements Instead of Using Ordinance Provision Project by Project Within a Master-planned Community (Ord. Sec.103(u) - definition of an MPDU)

- Any GDP or PUD that includes a for-sale component of more than 30 units or any master planned development exceeding 1000 housing units
- These master planned sites could propose a sitewide agreement for all affordable homes, subject to approval from the Office of Economic Development

V. Clarification of Uses of Special Revenue Fund (Ord. Sec.102(h) and Sec. 103(z) - definition of special revenue fund))

- First priority is incentive payments, director adopts policy for preserving a portion of funds for incentives
- Second priority is preservation or creation of affordable housing, with an effort to use funds generated in high zones in proximity to where the funds were generated where practicable
- Use of fund for administrative expenses limited to 5%

VI. Clarification of Non-cash Incentives (Ord. Sec.108)

- Will now be available to any project building MPDUs (no requirement to build extra units to qualify)
- Density bonus: Consistency with new zoning code – currently Downtown, Golden Triangle, and Arapahoe Square may be eligible for floor area premiums under the new zoning code when they build IHO units
- Parking reduction: Consistency with new zoning code – may be eligible for a 20% reduction in any zone district other than Main Street
- Expedited permitting: Making more general, with details to be updated in the regulations