

ADVISORY COMMITTEE SUMMARY

Videoconference Session on June 15, 2021, from 4-6pm

Meeting Highlights

This session of the Advisory Committee covered the following topics:

- The recent passage of HB21 1117 supports the importance and expanded scope of this project.
- The revised Charter was reviewed and will be posted on the project website.
- Results from Phase 1 engagement with stakeholders are informing considerations for the development of policy options, along with input solicited from the Advisory Committee.
- The project team will launch Phase 2 outreach and engagement to share preliminary policy options and understand what works best for communities and other stakeholders. The project team is looking for help from the Advisory Committee members to broaden and strengthen the current engagement plan.
- Root Policy provided information on the development process and the role of financial feasibility in evaluating policy options.

Key background information is available on the [Expanding Housing Affordability website](#), including but not limited to: List of advisory committee members (on the Meet the Advisory Committee Link); Background Report (on the Resources and Downloads Link); Presentation materials for this and prior meetings (Get Caught Up: Project Archive: Advisory Committee); and four Informational Videos: 1) Affordable Housing Basics; 2) Project Overview; 3) Denver's Housing Market; and 4) Peer City Research (on the Resources and Downloads Link)

Action Items

- CPD will update/revise as needed the "meeting in a box" which was developed for community conversations and can be used for Phase 2 outreach by Advisory Committee members.
- Advisory committee members are invited to contact Analiese Hock about 1) other organizations or engagement tools that CPD should consider reaching underrepresented groups (e.g., renters, immigrants, and refugees); and 2) additional information on the financial feasibility analysis.
- Next Meeting – July 22, 2021
- The Project Team will develop draft policy alternatives and complete the financial feasibility analysis before this meeting. The purpose of the meeting will be to review draft policy alternatives and provide feedback and suggested changes prior to broader outreach in July and August.
- Advisory Committee members are encouraged to submit any questions or additional feedback to Analiese Hock, Project Manager from the Denver Community Planning and Development (CPD) (analiese.hock@denvergov.org), and to share any process feedback with Catherine Morris, the facilitator (cmorris@cbi.org). Brad Weining, Denver Dept. of Housing Stability (HOST), is the best contact for questions related to the city's approach for the full housing spectrum (303-506-3461; Bradley.Weinig@denvergov.org).

Committee Member Introductions & Land Acknowledgement

"We honor Elders past, present, and future, and those who have stewarded this land throughout generations. We also recognize that government, academic and cultural institutions were founded upon and continue to enact exclusions and erasures of Indigenous Peoples. May this acknowledgment demonstrate a commitment to working to dismantle ongoing legacies of oppression and inequities and recognize the current and future contributions of Indigenous communities in Denver."

HB21-1117 Implications for EHA Project

Analiese Hock, CBD, reviewed the key elements of [HB21 1117](#) to highlight its relevance to the project's scope. The recently passed bill clarifies the authority of cities and counties to regulate development or redevelopment to promote the construction of new affordable housing units (including rental units) but does not override the existing prohibition on imposing any form of rent control. The bill requires that cities and counties consider a choice of options beyond

constructing affordable units on site. The passage of the bill underscores the importance and relevance of this project to explore inclusionary housing policies that could apply to both rental and for-sale developments.

Advisory Committee Charter

Catherine Morris, CBI, provided a high-level summary of the updates to the EHA Advisory Committee Charter, including changing the project name to Enhancing Housing Affordability to reflect the broader scope, integrating references to the additional tools that will be considered to achieve affordability, and adding a new Zero Tolerance Policy clause. There were no concerns raised regarding the revisions.

Phase 1 Outreach

Analise Hock provided an overview of the stakeholder outreach that has been conducted to date, including the types of groups the staff met with, the purpose of the outreach, and the different approaches used to keep the public informed. She also summarized the key themes that emerged from the input received. A more detailed summary report of the Phase 1 outreach was distributed in advance of the meeting and is posted on the project website.

The following key feedback themes were identified:

- Need for innovative solutions to address housing needs
- Program impacts to overall housing market
- On-site construction of units and mixed income housing and neighborhoods
- Incentives are critical to a mandatory program
- Involuntary displacement concerns
- Provide realistic alternative-compliance
- Timing of implementation questions and concerns
- Cumulative impacts to development

Additionally, feedback was often received related to housing, but is outside the scope of this project. These additional feedback themes outside of the project scope included:

- Need for more educational programs related to housing and financial literacy to promote upward mobility
- Need to increase housing options (e.g., ADUs, small lot housing, fourplexes, etc.)
- Focusing more on expanding “attainable” housing options over “affordable”
- Focusing more on housing for those at risk of involuntary displacement

Key Considerations

The input and themes from Phase 1 outreach were synthesized into key considerations that could guide development of policy options. Key considerations were based on peer city analysis, evaluation of Denver’s 38th & Blake density program, and extensive stakeholder feedback.

- Create mixed-income housing
- Promote clarity and predictability
- Increase funding for affordable housing
- Create market-based requirements
- Pair incentives with mandatory requirements
- Complement existing programs and funding sources for affordable housing
- Create long-term affordability

After reviewing the key considerations, the group was asked to share feedback on the following questions:

- Are there other considerations or priorities that you noted in Phase 1 outreach that should be considered as staff develops draft policy?
- Beyond what we heard during outreach, what considerations would you like to see reflected in the policy options?

Comments raised during discussion included:

- The options should prioritize larger (3+ bedroom) units through requirements/incentives.
- Policies should foremost “Do no harm,” i.e., don’t create policies that cause displacement.
- Though it’s hard for the market to create deeply affordable units, we shouldn’t ignore the need in this project.

- Consideration of deeper community needs and preventing displacement will be important.
- AMI levels need to reach deeper to achieve affordability, for example 60% instead of 80% AMI.
- It will be important to consider racial disparity gaps, especially in home ownership.
- Ensure for-sale/ownership opportunities are included along with rental units in these efforts.
- To increase funding for affordable housing, we need to look at leveraging resources across the board, including transportation, economic development, etc. we also need to look for multi-benefit outcomes that benefit many groups.
- Building in flexibility is important. Consider defining criteria that allows for changes over time, e.g., changes in the market and housing needs.
- Transparency will be key.
- A lower priority goal should be elevating strategies to help break down barriers that exist for “traditional” subsidized affordable housing development.
- Old system of inclusionary housing included cash incentives for doing what the law required. Mandatory inclusionary requirements should not come with incentives, though incentives for deeper affordability might be an exception. Incentives other than cash should be a considered.
- As we think about types/purpose of incentives, research shows that incentives allow for a higher percentage of units than what is required. There should be a base amount that can be done regardless of incentives and then look to incentives that allow those requirements to be increased.
- If meaningful incentives are not a part of a mandatory requirement, there will be effects and impacts to the overall housing market. It will stabilize in the long term, but there will be short-term impacts.
- Looking at peer city studies, a lot of the best examples have geographically calibrated fees that reflect the demographics and market of each neighborhood.
- Land prices will have to adjust over a few years based on the implementation of this program and the disruption that will come with it. Staff should work to minimize that disruption during the transition through incentives and grandfathering approach.
- Strategies should encourage partnerships between the development community and non-profit organizations.
- We really have to be creative in establishing these policies, recognizing the weight it has and potential to do great things for community. This is an opportunity to be innovative.

Additional comments received outside the scope of this effort include:

- Land-banking should be considered as a strategy to achieve the long-term affordability.
- Desire to encourage the reuse/rehab of existing homes to encourage maintaining affordability. *HOST preservation program.*
- When it comes to zoning incentives that would allow more units on a given parcel, we have to include single-unit zoned land. *Changes to use allowances in single-unit zoned areas of the city will be addressed in a future regulatory project.*

Phase 2 Outreach

Phase 2 outreach is planned for July and August and will include connecting with some of the same individuals and organizations involved in Phase 1 and expanding outreach to new stakeholders and community members. Analiese Hock reviewed the purpose and content of this engagement, which will be designed to get feedback on preliminary policy options on the three key tools – linkage fees, incentive zoning, and inclusionary housing – and the trade-offs that need to be considered. Phase 2 outreach will begin after the Advisory Committee meeting in July.

To frame the discussion, the members were asked:

- How can we better connect with the community to inform policy recommendations?
- How will you support outreach?

Several members expressed the desire to have a one-page project summary and other materials to facilitate engagement, such as a “meeting-in-a-box” resource. The staff has put together meeting materials, including a video, PowerPoint presentation, and a survey to facilitate earlier “Community Conversations.” These materials can be downloaded from the website and could be updated for Phase 2 outreach. Another member also requested a compendium of past and planned meetings to make it easier to identify gaps and possible new outreach opportunities and avoid duplication. In terms of other approaches that might be effective, a member suggested use of social media and print ads and placing public service announcements on Channel 8 to get the word out. Another audience for this outreach could be large employers that have

challenges recruiting and retaining employees due to housing affordability issues. The project team was urged to refer to this effort as engagement rather than outreach to convey the intent to solicit input in addition to inform stakeholders.

Understanding Development and Feasibility

Mollie Fitzpatrick, Root Policy, presented an overview of the development process, including the role of developers, investors, lenders, builders, and land-owners, and their different priorities. After explaining how developers and lenders calculate financial feasibility of a project, she also described how affordability requirements and incentives affect their profitability calculation. This presentation sets the stage for the next step in the project, which is to analyze a range of policy options and the impact of those options on financial feasibility.

During the discussion, Mollie confirmed that differences related to location will be considered in the financial feasibility analysis. Staff offered the opportunity to learn more about financial feasibility through one-on-one conversations if requested, but also pointed to the one-hour [webinar](#) that covered this topic earlier in the project as an additional resource. Staff also noted that it is not necessary to be an “expert” in development project pro formas in order to provide informed feedback on the analysis. Another member emphasized that when considering financial feasibility, the goal should not to make *all* projects financially feasible and to take into account that the market will adjust over time to new inclusionary policies.

Public Comment Period

- There were no public comments.

Participants

Advisory Committee Members

Dominique Acevedo - Northeast Denver Housing Center

Jessie Adkins - Shears Adkins Rockmore

Ángela Azua - Juntos Colorado, Cultivando Network, Connectoras de Montbello

Jeffery Bader - DURA

Tim Welland for Paul Brooks - Palisade Partners, Urban Land Institute, Five Points Business Improvement District

Erin Clark - Denver Planning Board, Urban Land Conservancy

Rhys Duggan - Revesco Properties

Dorit Fisher- Shames-Makovsky, Downtown Denver Partnership (board member)

Ryan Keeney - YIMBY Denver (co-founder and board secretary), Capitol Hill United Neighborhoods (board delegate)

Councilwoman Robin Kniech- At-Large

Candace Kristensson - University Park Community Council (current president)

Shelly Marquez - Wells Fargo, Housing Colorado (board member), Community First Foundation (board member), Enterprise Community Partners (leadership council)

Nola Miguel - Globeville, Elyria-Swansea Coalition Organizing for Health and Housing Justice

Jennie Rogers - Enterprise Community Partners, Colorado Division of Housing Strategic Housing Working Group

Councilwoman Amanda Sandoval - District 1

Sean Southerland – Greater Park Hill Community RNO (Vice-Chair)

Paul Varanas - Lowry United Neighbors RNO (board member)

Ean Tafoya - Denver Inter-Neighborhood Cooperation, Colorado Latino Coalition

Molly Urbina - Urbina Strategies, Urban Land Conservancy (board member)

City Staff

Analiese Hock, Project Manager, CPD

James Van Hooser, CPD

Sarah Showalter, CPD

Brad Weinig, HOST

Consultant Team

Consensus Building Institute: Catherine Morris

Root Policy: Heidi Aggeler, Mollie Fitzpatrick

Meeting Interpretation

Andrea Syko, Community Language Collective -

Observers

Christopher Auxier

Nathan Batchelder

Sarah Harman

Amy Harris

Tracy Huggins

Naomi Grunditz, Amanda Sandoval Aid