Expanding Housing Affordability

Advisory Committee Meeting
March 22, 2022
Zoom Logistics

**Interpretation** will be provided. Click the globe on the bottom of your screen and select language of choice

**Chat** should only be used for technical needs

**Raise hand** to participate in conversation

Stay on **mute** when not actively talking

If possible, keep your **camera on**
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.
• Summarize key/consistent themes from stakeholder outreach
• Review proposed refinements to policy proposal in response to feedback
• Understand next steps
Meeting Norms

• Remain open-minded and avoid judging ideas prematurely.
• Be open and candid with ideas, needs, and concerns.
• Encourage participation from all members.
• Be concise and speak to the point. Encourage others to contribute.
• Listen to understand.
• Be respectful. Avoid side conversations. Refrain from interrupting.
• Be future-focused. Do not reopen previous discussions unless the information and circumstances have substantially changed.
• Be present during discussions.
The city is proposing a new requirement that would ensure that as new housing is built, new affordable housing is created too.

This will be done through the creation of a Mandatory Housing Program with Incentives and a Linkage Fee update.
Creating a Balanced Proposal

The proposed policy recommendation seeks to balance:
• Current and future housing needs
• Analysis of other cities' programs and successes
• Past/current Denver program lessons learned
• Financial feasibility
• Extensive public feedback
Key Milestones – To Date

2021

• **March** project re-launch with expanded scope
  • Focus on lessons learned, other city program analysis, and program priorities
• **July** feasibility report released + comments and revisions
  • Additional analysis on incentives released in August
• **October** draft policy proposal released + housing needs analysis

2022

• **February** draft DRMC and DZC changes + updated policy proposal released
  • Six-week public comment & outreach process followed
Overview of Comments

Comments received from Feb. 1 – March 14
Key Comments

- **Comment:** Improve transparency and reporting on Linkage Fee and Mandatory Housing outcomes
- **Suggestion:** Create and maintain a publicly accessible system to report out on program outcomes (linkage fee and mandatory housing)
Key Comments

• **Comment:** Transit infrastructure is not sufficient near all blueprint priority streets to justify a full parking exemption

• **Suggestion:** Reduce geographic applicability of enhanced parking exemption incentive
Key Comments

• **Comment:** More projects should be considered “High-Impact developments” and require a community-informed housing outcome

• **Suggestion:** Expand the applicability to include all TIF districts or industrial re-zonings

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**Current DRMC Draft Proposal**

High-Impact Developments are developments that require more community-tailored solutions

• **Current Applicability:**
  - 10+ acres OR 5+ acres w/ a financing tool such as TIF, Met District

• **Requirements:**
  - Must meet or exceed the housing standards in the EHA policy proposal and provide documentation of:
    - Detailed community outreach efforts, including orgs & individuals
    - How the proposed development is responsive to the community outreach
Key Comments

- **Comment:** Proposed linkage fees are below financial feasibility
- **Suggestion:** Increase linkage fee to financial feasibility max

<table>
<thead>
<tr>
<th>Use</th>
<th>Current Fees</th>
<th>Effective July 1, 2022</th>
<th>Effective July 1, 2023</th>
<th>Effective July 1, 2024</th>
<th>Feasibility Findings</th>
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<tbody>
<tr>
<td>1-9 units, up to 1,600 sf per unit</td>
<td>$0.66</td>
<td>$1.77</td>
<td>$2.88</td>
<td>$4.00</td>
<td>$9.60-14</td>
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<td>1-9 units, units more than 1,600 sf</td>
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<td>Other residential uses (e.g., Congregate living)</td>
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<td>Commercial, Sales, Service – Typical Market</td>
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<td>Industrial, manufacturing, wholesale, agricultural.</td>
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</table>
City Response to Comments
Proposed Response: Reporting & Transparency

• Create a publicly accessible system to report out on program outcomes (linkage fee and mandatory housing).

Proposed additions in response to comments

Add language to the DRMC specific to the linkage fee and Mandatory Affordable Housing to provide publicly available online resources to report.

• Linkage fee, this would include at a minimum: funds collected, allocation of funds, and approved reductions and waivers.

• MAH, this would include at a minimum: number and types of units created, on-site options selected, fee-in-lieu fund revenues and spending allocations.
Proposed Response: Parking Incentives

Revised vehicle parking exemption (no vehicle parking required) to only apply when providing enhanced affordability and located within a ¼ mile of a fixed transit station.

Note: Other parking reductions for affordable housing (not tied to transit access) would remain as is. This includes existing 0.1 parking ratio for units 0-60% AMI and the parking reduction for all units of a mixed-income development by 0.5.
Proposed Response: High-Impact Dev.

• Expand applicability to include any (regardless of development size) Tax Increment Financing (TIF) or Metro District

Proposed revision in response to comments

(k) High impact development means any combination of residential, mixed-use residential, non-residential, and mixed-use non-residential structures that are built as a part of a development where the development will be built on:

(1) Ten (10) or more acres without the use of city approved financing tools; OR
(2) Five (5) or more acres AND Is leveraging a city approved financing tool such as tax increment financing or a metropolitan district.
Proposed Response: Linkage Fee

- Increasing linkage fees closer to feasibility maximum
- Providing four years to increase fees

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<tr>
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<tbody>
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<td>1-9 units, up to 1,600 sf per unit</td>
<td>$0.66</td>
<td>$1.75</td>
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<td>Industrial, manufacturing, wholesale, agricultural.</td>
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<td>$0.96</td>
<td>$1.47</td>
<td>$1.99</td>
<td>$2.50</td>
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Additional Comments
Key Comments

- **Comment:** Housing affordability will remain an issue without increasing the ability for increased density everywhere
- **Suggestion:** Conduct zoning reform to allow greater density and housing types across the city

Conversely...

- **Comment:** Proposed zoning incentives (e.g., reduced parking and height in exchange for greater affordability) might negatively impact the character of neighborhoods.
- **Suggestion:** Restrict the applicability or further engage the community or improve transparency of applicability/outcomes

No change to EHA proposal because...

- This proposal increases the supply of housing in locations that are consistent with Blueprint Denver and small area plans
  - Further restricting incentives would diminish housing opportunities in areas where plans found it to be appropriate
- Broader zoning change to increase housing types/density requires different tools, considerations, and stakeholders and is therefore a different scope that will need to be addressed in a future project
Key Comments

- **Comment:** The proposal will only increase housing costs and burden a different segment of the population
- **Suggestion:** Either do not create a mandatory program or extend the timeline for projects to be “grandfathered” into today's regulations

Conversely…

- **Comment:** The proposal does not go far enough to address current/future housing needs
- **Suggestion:** Increase the affordability contributing significantly and lower the AMI level served

No change to EHA proposal because…
- The proposal has been thoroughly vetted and studied to minimize impacts to the housing market
- This program will complement existing and planned city resources to address housing needs
- This program is only successful if development can continue
- Developers have been receiving notice of this proposal since October 2021 and further delaying effective dates will delay the creation of affordable homes.
Check-In & Discussion

• Are there questions or comments about the final four changes presented today?

• Do these changes (in addition to prior changes) adequately balance the most shared concerns and the objectives of EHA?
## Summary of Comments & City Response

<table>
<thead>
<tr>
<th>What we heard</th>
<th>How we addressed</th>
</tr>
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<tbody>
<tr>
<td>Improve transparency and reporting on Linkage Fee and Mandatory Housing outcomes</td>
<td>Create a public dashboard to report on program outcomes (in addition to general HOST reporting)</td>
</tr>
<tr>
<td>Vehicle parking remains a need in many locations</td>
<td>Revised vehicle parking exemption (i.e., when no vehicle parking is required) to only apply when the project provides enhanced affordability and is located within a ¼ mile of a fixed transit station instead of a transit corridor</td>
</tr>
<tr>
<td>Broaden applicability for high-impact developments</td>
<td>Expand applicability to include any development, regardless of size, using Tax Increment Financing (TIF) or a Metro District</td>
</tr>
<tr>
<td>&quot;High-impact developments&quot; are developments that require a tailored housing outcome and community outreach.</td>
<td></td>
</tr>
<tr>
<td>Increase linkage fees to financial feasibility</td>
<td>Increased the linkage fee amounts closer to feasibility in most categories over a 4-year period</td>
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</tbody>
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Next Steps
Next Steps: Legislative Process

March 2022:
• Revised proposal summary + DZC amendments released

April 2022:
• Public Review of Rules & Regulations
• 4/6 Planning Board Public Hearing – DZC and 38th & Blake rezoning only (public comment via zoom)
• 4/19 LUTI Committee Meeting – DRMC, DZC, and 38th & Blake rezoning (no public comment)

May 2022:
• Multiple dates - Mayor-Council & First Readings (no public comment)

June 2022:
• 6/6 (expected) City Council Public Hearings for DRMC, DZC, and 38th & Blake rezoning (public comment – in person or zoom)
• Rules and Regulations public hearing (Date TBD)
Key Dates for Written Comments

Planning Board public hearing (4/6)
1. Comments for inclusion into the staff report: by 3/28 at 5 pm
2. Comments for forwarding to Planning Board: by 4/6 at noon

City Council’s Land Use, Transportation and Infrastructure Committee meeting (4/19)
1. Comments for inclusion into the staff report: by 4/14 at noon

Denver City Council public hearing (6/6)
1. Comments for inclusion into the staff report: by 6/2 at noon
2. After that deadline, comments may be emailed to dencc@denvergov.org until 3 pm the day of the hearing
Resources

Resources to share with your networks:

• Key talking points
• Newsletter blurbs
• Social media posts
• Useful resources and links
• Updated FAQs (forthcoming next week)
Final Reflections and Process Feedback (25 min)
Public Comment (15 min)