Expanding Housing Affordability

Outreach Summary Phase 2: July – December 31, 2021

The purpose of this outreach phase is as follows:

- Building a shared understanding of current housing needs and future housing needs
- Gaining feedback on the financial feasibility report
- Share the initial draft policy proposal for an inclusionary (mandatory) housing program and increase to the city's linkage fee
- Gaining feedback on the draft policy proposal, listening to community priorities, ideas, and considerations
- Answering questions

Goals for Community Engagement include:

- Informing the community by distributing accurate, objective, and timely information
- Fostering understanding of zoning and affordable housing systems
- Identifying and addressing questions and concerns
- Soliciting input and feedback to ensure key issues, interests and needs are integrated into the process and project outcomes
- Building awareness around the project and informing outcomes.

Principles for Community Engagement include

- Tailoring content and discussions to the specific needs and interests of the community
- Leveraging existing community groups and networks
- Being efficient and respectful of the time volunteered by all participants
- Engaging in diverse representation with a variety of socio-economic backgrounds and perspectives

Outreach was conducted using the following approaches:

- Connecting with existing community groups and industry organizations
- Virtual Open House
- Virtual Office Hours
- Focus Groups
- Feedback Forms

Additionally, information was made accessible on the project website.
Key Feedback Themes

The following summarizes the most common themes received through phase one of the outreach conducted from July to December 31 of 2021. Additional details specific to different outreach groups are summarized below:

**General.** Many community members expressed strong support for the proposal calling for a desire to see more affordable housing options and funding for affordable housing become available through these tools.

**Level of Affordability.** Some community members and advocates wanted to see deeper levels of affordability being served (down to 30% AMI) whereas others wanted the affordability levels to reach above 100% AMI, to serve more middle-income housing needs. For others, it was more important that the program provide housing to serve a mix of incomes.

**Changes made to serve more households of different incomes.**

The second build on-site option is revised to reach an effective one time average of 70% AMI in rental developments serving households up to 80% AMI and an effective average of 90% AMI in ownership developments serving households up to 100% AMI. This will allow for developments to serve lower income households at 30% AMI and up to 80% or 100% AMI in addition to the market rate units which commonly serve higher-income households.

**Anti-Displacement.** Given growing concerns of impacts from new development on areas vulnerable to displacement, or NEST neighborhoods, some advocates felt that the proposal did not go far enough to address displacement and may only lead to additional development pressures to these areas. Some suggested that requirements should be set at a level that discourages development and investment from coming into these neighborhoods while others called for additional funding and resources to be directed into programs for the creation and preservation of housing along with other wealth building programs.

**Changes made to strengthen anti-displacement priorities.**

1. Fee-in-lieu funds collected in areas vulnerable to displacement are prioritized for the creation and preservation of housing in these areas.
2. The concurrent prioritization policy (led by HOST) will pair with this program to give priority for new affordable homes to existing residents at risk of displacement.
3. High impact developments require community outreach and must be responsive to community housing needs identified.

**Incentives.** Generally, there was supported to provide incentives to increase the supply of housing. Of critical value was the by-right incentives that do not require a rezoning or onerous public process. However, the industry did call for stronger incentives, especially financial, to further offset the cost to providing affordable units.

**Changes made to strengthen incentives.**

1. Permit fee reductions applicability is expanded to encompass all affordable units up to 100% AMI, not just affordable units at lower AMI levels.
2. In high cost market areas, the permit fee reduction increased to $10,000 per affordable unit built.
3. For mixed-income project opting to build affordable units on-site, the ground floor is exempt from paying the linkage fee.

**Linkage Fee.** Overall, community and advocacy groups called for the linkage fee to be closer to the legally justifiable amounts rather than below the feasibility findings. Superficially, community members raised concerns regarding the loss of naturally occurring affordable homes being demolished and replaced by large high-priced homes which are adding to development pressures and rising housing prices. The industry raised concerns with the substantial increase from the current fees and called for fees to be reduced and or phased in over a three-year period. Specifically, new industrial development was identified as a development type most likely to be impacted by these increases. Additionally, comments were raised that the additional fees would be passed along to future tenants which would impact the ability of new projects to provide more affordable retail spaces for small and locally owned businesses.

**Changes made to refine linkage fees.**

1. Increased the linkage fee to $7 post for new larger (above 1,600 sf) homes.
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(2) Decreased the linkage fee to $2 post for industrial and manufacturing uses.
(3) Created a three-year phased increase to the linkage fee from 2022 to 2024 in response to COVID impacts to office/industrial/retail.
(4) Conducted further evaluation on the impacts of increased fees on tenant space rents. See the supplementary memo from Root Policy on the project website.

Reduce impacts to ownership and attainable housing developments. Most of the new development is multi-family rental, comments were received calling to removing barriers to the creation of ownership housing and other attainable development types. Some developers felt that these requirements could eliminate the ability for more ownership condos and/or attainable housing types such as townhomes from being delivered to the market.

Changes made to support ownership housing needs.
(1) Revised the ownership on-site requirements to align with the rental requirement while enabling the ownership units to serve households earning incomes up to 100% AMI.
(2) Revised the threshold of applicability for Mandatory Affordable Housing to ten units or more.
(3) Revised the fee-in-lieu for townhome developments to $250,000 per affordable unit required.

Alternatives to building units on-site and producing mixed-income housing. Given the requirements of HB21-1117 to provide one or more alternatives to the construction of affordable units onsite, the programs provides a fee-in-lieu or a negotiated housing compliance plan as an alternative. However some community members felt that a fee-in-lieu was not an appropriate alternative and should not be allowed. Others expressed concerns that the negotiated alternatives may not have sufficient regulatory “teeth” and may enable for less desirable housing outcomes.

Changes made to strengthen alternatives in alignment with policy priorities.
(1) Further refined the fee-in-lieu to calibrate to different development types to ensure the fee-in-lieu wasn’t the typical outcome.
(2) Further details the expectations and means for evaluating negotiated alternatives to ensure that these agreements would only be approved when the result was a better housing outcome for the neighborhood.

Monitoring program outcomes and accountability. Industry members felt that these policies are only successful when appropriately calibrated to the market which can change over time. Comments suggested a need for a regular assessment of program outcomes and lessons learned.

Addressing program outcomes. Consistent with the requirements of the DRMC and further detailed in the strategy report, the city will annually track and report out on program outcomes, market impacts, and when identified, lessons learned.

Additional Comments Received that are outside of the scope of this specific project, yet remain city priorities to address through concurrent or future regulatory changes:

- Development review process. While a challenge outside of EHA, a significant number of concerns were raised with the current length of time required for various city processes such as the LDR process, SDP and building permit review. The delays and number of resubmittals add time and cost; therefore, a key priority of the City needs to be solving and expediting all projects that provide housing regardless of AMI level which will add to the housing supply.

- Incentives for infill and small-scale development. Some housing advocacy along with industry groups wanted to see requirements and/or incentives to provide affordable housing in single-unit and two-unit areas of the city. A few organizations called to allow for three-story multi-family developments to be permitted throughout the city, some suggesting significant affordability requirements with others citing that these should be purely supply based approaches.

- Cumulative impacts of new standards on new development. As this proposal is set to apply to new development, there is concern that the burden is being unfairly placed on new development rather than all existing development and residents. Additional concerns raised the timing of other regulatory updates such as the building code that will require additional upgrades to address climate resiliency, yet also add cost.
Key Milestones
• Financial feasibility results released on July 15, 2021
• Revised financial feasibility with additional sections on incentives and fee-in-lieu released on October 1, 2021.
• Draft policy proposal released on October 1, 2021
• Comments were due on December 31, 2021

City Council and Planning Board
Date: July 29, 2021
Board: City Council Budget and Policy Committee
Meeting can be seen on Channel 8 here: https://denver.granicus.com/player/clip/14365?view_id=141&redirect=true
Staff presentation was focused on identification of housing needs and financial feasibility findings related to the increase of the linkage fee and implementation of an inclusionary housing program.
Key Comments:
• Questions were focused around the distinction between high-cost market areas, typical market areas and those areas identified as vulnerable to displacement per Blueprint Denver.
• Questions also arose around the passage of HB21-1117 and the city’s response to the new enabling law for inclusionary housing.
  o Staff clarified that this effort, Expanding Housing Affordability, is in response to the opportunities granted through state law to create an inclusionary program to ensure that as new housing is built, new affordable housing is also created.
• Concern that lower-cost areas of the city, or those vulnerable to displacement will continue to bear the burden in providing affordable housing.
  o Staff clarified that while there are various (market and regulatory) reasons that affordable housing is more likely to be built in low-cost areas of the city with less access to opportunity, this program will do the opposite by requiring affordable homes in areas in which the market is strong and commonly high-opportunity areas.
• The desire to see the program (specifically rental) focus on lower income households where the housing needs are the greatest, at 60% AMI.
• Council expresses concerns with a timeline that may reach into Q2 of 2022 and wanted to see the project move faster. They didn’t want to see an opportunity lost with a significant number of developments moving through prior to the effect of this program.

Date: August 4, 2021
Board: Denver Planning Board
Meeting can be seen on Channel 8 here: https://denver.granicus.com/player/clip/14381?view_id=173&redirect=true
Staff presentation was focused on identification of housing needs and financial feasibility findings related to the increase of the linkage fee and implementation of an inclusionary housing program.
Key Comments:
• Questions around the breaking point of the linkage fee and the opportunity to have higher fees that are closer to the legally justifiable nexus.
• Desire to see this program set up market rate developers for success, affordable housing is a different development type and not something that everyone can do well.
• Desire to see feedback from industry focus groups around what subsidies and or incentives are most meaningful.
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- Desire to see a more aggressive linkage fee and lessen the impacts to new housing development while looking at other tools such as property tax increases or similar.
- Appreciated hearing about the different community and industry perspectives. Glad to see the focus on equity, predictability, and market-based approach.
- Do not want to see the buy-out amount as something that commonly occurs in high-cost areas and then leads to a concentration of neighborhoods with affordable housing in low-cost areas.
- Noted the Council’s desire for the rental requirements to focus at 60% AMI but wanted to be sure to consider housing needs for someone earning 65% AMI or a lightly higher such as 80% AMI. Many of these residents are also cost burdened.

Date: October 18, 2021
Board: City Council Budget and Policy Committee
Meeting can be seen on Channel 8 here:
https://denver.granicus.com/player/clip/14508?view_id=141&redirect=true
Presentation was focused draft policy proposal for a mandatory affordable housing program and linkage fee update.
Key Comments:
- Desire to see a stronger proposal in areas vulnerable to displacement.
- Various comments about the fee-in-lieu amounts, some felt that they were too low and would be selected every time. Others noted that these are a significant amount that will likely discourage this choice.
- Want to ensure that there are clear guardrails around the negotiated outcomes, they should not serve as a loophole.
- Concerns that the policy is being driven by what is profitable, rather than what is needed from a housing perspective.
- Desire to see projections on outcomes of this proposal. Concerned that it will not address the need. (staff noted that this is one of many tools that will be needed to address housing needs, current and future).
- Glad to see a clear and predictable system proposed.
- Want to understand more about how these policies related to peer cities (summary slides were including in the slide deck and in the report online).

Date: October 20, 2021
Board: Denver Planning Board
Meeting can be seen on Channel 8 here: http://denver.granicus.com/ViewPublisher.php?view_id=68
Presentation was focused draft policy proposal for a mandatory affordable housing program and linkage fee update.
Key Comments:
- Questions around the feasibility’s responsiveness to the current market volatility.
- Appreciation to see a variety of alternative means of compliance to constructing the affordable units on-site.
- Concern that the reduced parking isn’t currently an incentive for market-rate developers.
- Desire to see the linkage fee exemptions expanded to non-profits generally.
- Appreciates the additional data on housing needs.
- Desire to see the fee-in-lieu vary by development size and have more nuance.
- Concern that Denver doesn’t build very much for-sale housing, which puts a burden on surrounding communities, and should seek further reform around construction defects.
• Wants to see a high-cost fee for single- and two-unit areas to ensure that scrapes and rebuilds are paying at a higher rate. Alternatively, other members noted that if there is a reduction of units, the fee should be greater.
• Concern that the proposed office linkage fee is too low given impacts and demands created by this use.
• Wants to see more property tax exemptions available for affordable housing.
• Desire to see both on-site build options as more economically comparable rather than the current focus at 60% AMI on rental and 80% AMI on ownership.
• Desire to see linkage and fee in lieu dollars to be distributed more equitably and minimize the economic segregation.

Expanding Housing Affordability Advisory Committee

Advisory Committee Meeting #3
Date: July 22, 2021
Complete meeting summary can be found on the project website.

Advisory Committee Meeting #4
Date: September 7, 2021
Complete meeting summary can be found on the project website.

Advisory Committee Meeting #5
Date: November 16, 2021
Complete meeting summary can be found on the project website.
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Virtual Open House
Date: November 4, 2021
Number of Participants: 38
Recording can be viewed online here: https://www.youtube.com/watch?v=lY9mDqK1foE
Councilwomen Sandoval and Kniech provided an introduction.

Most participants identified as community residents (some currently in need of affordable housing) and some as housing advocates. A few participants identified as part of the development industry. Participants lived in the following neighborhoods, Cheesman Park, Virginia Village, Swansea, Park Hill, University Hills, West Washington Park, Capitol Hill, LoDo, LoHi, Baker, West Colfax and Uptown.

Participants were asked to rank their top priorities for this program. Generally, the top three priorities, while competing against one another, were:

1. Focus the program on lower income households (less than $50,000 a year) at a lower percent of units
2. Focus on creating as many affordable units as possible
3. Focus on serving moderate income households ($50,000 – 80,000 a year) and creating more units

Existing Community Groups and Industry Organizations

Listed in order by date

Date: August 12, 2021 – Hybrid meeting
Convening Organization: Downtown Denver Business Improvements Districts (BIDs) Council
Number of participants: 7
Organizations represented: Downtown Denver BID, Colfax Mayfair BID, Colfax Ave BID, Cherry Creek North BID, West Colfax BID.
Staff presentation focused on the program tools under consideration, increase in linkage fee and inclusionary housing program with incentive and financial feasibility findings.
Key Comments:
- Excitement around the possibility to require affordable housing as a part of new development.
- Questions around the possible incentives and the value add for some of these key business corridors.
- Desire to see if greater affordability levels could be provided in certain scenarios.

Date: August 17, 2021 - In person meeting
Convening Organization: RiNo Art District Board
Number of participants: approximately 14
Organizations/Companies represented: RiNo Art District Board, EXDO, Westfield/North Wynkoop, PS. Design, others not identified.
Staff presentation focused on the program tools under consideration, increase in linkage fee and inclusionary housing program with incentive and financial feasibility findings.
Key Themes:
- Questions around the impact of these citywide tools to the existing 38th and Blake Incentive Overlay and zoning entitlements.
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- Staff noted the intent to maintain the intent of these overlays (directing growth and affordable housing near this transit station) while creating one citywide affordability expectation.
  - Concerns about the feasibility metrics and that ROC and COC should be higher given the likelihood that interest rates will/are rising.
  - Desire to see the commercial incentive maintained.
  - Concern around Council’s influence to change the program requirements at the very end of the process.

Date: September 2, 2021
Convening Organization: Denver Metro Association of Realtors – Government Affairs Committee
Number of participants: approximately 30 (in person meeting)
City staff presented an overview of housing needs and program tools under consideration, increase in linkage fee and inclusionary housing program in response to state law changes.
Key Comments:
- Clarifying questions around program timing and effect on existing homes.
  - Staff clarified that this program would only apply to new development.
- Clarifying questions around current and proposed affordable home ownership programs and impacts to building equity.
- Questions around the regional effects and need for affordable housing in the region.
- Desire to learn more about how people can qualify for affordable housing and have access to these existing and potential new homes.
- Desire to learn more about the city’s approach to the preservation of existing homes or Naturally Occurring Affordable Housing (NOAH).
- Concerns regarding the potential impacts to market-rate housing.
- Desire to continue the conversation as the policy progresses.

Date: September 25, 2021
Convening Organization: Inter Neighborhood Cooperation (INC) – Zoning and Planning Committee (ZAP)
Number of participants: approximately 20
City staff presented an overview of housing needs and program tools under consideration, increase in linkage fee and inclusionary housing program in response to state law changes.
Key Comments:
- Questions about potential incentives and how neighborhoods would be aware of such incentives and applicability.
  - Staff note that they are still evaluating incentives, but the intent would be to have them contained clearly within the zoning code and not require a public process to access.
- Concern that this is not innovative enough and may push the cost to market-rate housing, which is already expensive.
- Desire to see the city require more affordable housing through this tool and create more overall.

Date: September 29, 2021
Convening Organization: Urban Land Institute – Multi Family product Council
Number of participants: approximately 30 (in person event)
Organizations/Companies represented (per invite list from ULI): Consilium Design, Marth Mark, Greystar, Affinity Partners, Kephart, Brookfield Partners, Oz Architecture, Sares-Regis, Polsinelli, KTGY, Palisade
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City staff presented an overview of housing needs and program tools under consideration, increase in linkage fee and inclusionary housing program in response to state law changes. Questions were focused on the financial feasibility approach.

Key Comments:
- Questions specific to feasibility approach, metrics, and expectations. Particularly how the feasibility model is adjusting to rapidly changing market conditions.
- Desire to see robust incentives, consideration for tools such as tax incentives or other means of offsetting the cost on an annual basis.
- Highlighted the successes of the 38th and Blake incentive overlay system. Reinforced a desire to see more opportunities for supply-based approaches to housing needs.
- Concern that this approach will only add cost to development and drive down supply.
- “Taxing housing” does not make housing more affordable.

October 19, 2021
Convening Organization: RiNo Art District Board
Number of participants: 17
Organizations/Companies represented: RiNo Art District Board, EXDO, Westfield/North Wynkoop, PS. Design, Mentalo Development, Crema, Bindery on Blake, Plinth Gallery.
Staff to present overall citywide proposal on an inclusionary program with incentives and increased linkage fee. Staff did not present any proposal specific to the 38th and Blake incentive overlay.
- Any changes that would result in a loss of density from the current incentive would be severely resisted.
- See the current program as a great success, desire for the city to be looking at this from a supply side, not just affordable unit creation.
- Some felt that the affordability requirements were on balance and that something in the 10% range was doable, however there were concerns expressed around the 60% AMI level of affordability required.
- Concern that an increase to the linkage fee coupled with the already high tax burden will significantly limit retailers and specifically the types of unique stores and businesses that makes RiNo a unique community focused place.
- Wants greater transparency on the current linkage fee funding allocation and the justification to increase the fees.
- Wants to see even greater densities permitted than in the current incentive system.

October 19, 2021
Convening Organization: Cherry Creek Area Business Alliance
Number of participants: 10
Organizations/Companies represented: Crestone Partners, Broe Development, First Bank, Cherry Creek North BID, FGMC, Jacquard Hotel.
Key Comments:
- Concerns raised about the impacts to the cost of housing overall because of these tools.
- Concerns that lower-income individuals may not want to live in places such as Cherry Creek.
- Comments regarding the cumulative impacts of new standards on development.

October 21, 2021
West Neighborhood Area Plan Stakeholder Meeting
Key Comments:
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- Desire to see broader representation (e.g., artists) in the examples of who can and should be able to access affordable housing.
- Desire to see more housing types and diversity that doesn’t require a rezoning.
- Questions around the implementation of a citywide regulatory process to the NPI planning efforts.
- Clarifications around the difference between the existing zoning map, existing land use, and planning maps.
- Questions around accessibility requirements and serving people living with disabilities.
- Concern that Denver is continuing to focus affordable housing and density in multi-unit or mixed-use areas and not throughout the city. Concern that this will further segregate the community.
- Glad to see the city moving forward on this direction to create more affordability.
- Concern that this will not substantially change the outcomes and create the significant levels of affordability these neighborhoods need.
- Discussion around the role of NPI plans to set recommendations that lead to zoning changes and enable for these policies to address housing needs more holistically.
- Concern that a 2-person household making minimum wage would have too great an income for the 60% AMI yet cannot afford market rate housing.

October 23, 2021
Convening Organization: Intern Neighborhood Cooperation (INC) – Zoning and Planning Committee (ZAP)
Number of participants: 22
Key Comments:
- Questions around the applicability of incentives and the neighborhoods ability to understand how and if they apply.
  - Staff noted that the proposal would live in the Denver Zoning Code as a use/allowance by-right so long as the exceeded affordability commitments were met.
- Concern that neighborhoods continue to have an outsized voice and privilege, community is changing and rotating through, doesn’t want the privileged voices to dictate and control what is going into the neighborhood.
- Concern about the impacts to market rate rents, someone must pay.
- Concern that the parking studies and related zoning changes may lead to more on-street parking problems.

October 26, 2021
Convening Organization: Denver Board of Adjustment (BOA)
Key Comments:
- Questions around how this will impact the type of cases that the BOA reviews.
- Questions around how the regulation will be tracked and monitored over time.
- Concern about the changes in the real estate market and the ability for the requirements to be able to respond.
- Concerns that the regulatory changes may affect Denver and the region negatively by further reducing the supply.
- Clarifying questions on the proposed regulatory implementation timeframe.
October 26, 2021

**Convening Organization:** Denver YIMBYs

**Key Comments:**
- General support and excitement for the proposal as they were a key supporter of state HB21-1117.
- Desire to consider earners at 61% or 81% AMI and the ability to be served by these programs.
- Appreciates the by-right height increase, hopes that it’s calibrated in such a way that developers take advantage and create more housing overall.
- Highlighted the importance of the implementation related to qualifying tenants, educating homebuyers on the resale restrictions, and needed education courses. Suggested the land trust as a strong model.
- Likes that land dedication is offered as an alternative and may make sense in some outcomes.
- Want to see more of the city enabled for more housing density and affordability.
- Wants to see higher linkage fees, consider the cost of these fees related to the benefits of the housing market and unprecedented growth. Especially in higher-cost neighborhoods.

October 27, 2021

**Convening Organization:** Anti-Displacement Policy Network (NEST Hosted)


**Key Comments:**
- Do not want to see new development in NEST neighborhoods and views this policy as pushing out residents.
- Desire to see strengthened enforcement in HOST and CPD.
- This group needs to be able to advance anti-displacement polices in all the city policies, this proposal doesn’t do enough.
- Some saw the balance of the proposal from both the community and the development perspective.
- Appreciated the introduction of the new affordable housing review team (AHRT) and the benefit to bring affordable projects to fruition faster.
- Want to see an opportunity for the city to buy-down affordability in NEST neighborhoods and to see this policy slow down development in these neighborhoods.
- The role of public policy is to respond to community needs, and this project needs to do more.
- Desire to see a Chicago Affordable Requirements Ordinance model duplicated in Denver which distinguishes in areas where they want to direct or slow investment.

October 27, 2021

**Convening Organization:** Downtown Denver Partnership Development Council


**Number of participants:** 32

**Key Comments:**
- Notes that the proposal has many similar aspects to the earlier IHO that applied only to large for-sale developments.
- Desire to see the development industry work together to find a solution for everyone.
- Desire to see meaningful cash incentives as a part of this program.
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- Concern with the higher affordability requirements and fees in high-cost markets.
- Clarifications on payment of fees and difference between the linkage fee applicability and fee-in-lieu.
- Concern about changing the Golden Triangle and other area specific programs through this citywide update.
- Curiosity about land-owner response to these policies.

October 28, 2021

Convening Organization: Metro Denver Home Builders Association (JFT Meeting)
Organizations present: CRL, HBA, Brookfield, Koebel and Company, Taylor Morrison, and others.
Number of participants: 21

Key Comments:
- Clarifications on the timeline for approvals under current regulations and sites with existing affordable housing agreements.
- Desire to see incentives that apply to the smaller infill developments such as townhomes which will be most significantly impacted by these changes.
- Concern around the cumulative impact of other city standards, specifically the updated building code and green code which are expected to be passed mid-2022, and opportunities for clear financial offsets.
- Concern that housing is a societal problem that is being solved solely by the development community.
  - Staff noted the many existing programs that will continue or expand and that this tool set is complementary to the existing and new tools.
- Sees the fee-in-lieu as adding $59,000 per ownership unit in high-cost settings and once all the other costs add up, could increase housing prices by six figures.
- The permit fees are not enough, and permit fees are not that significant in Denver anyway. Should be looking at other financial incentives.
- Desire to learn more about the justification for the fee-in-lieu.

November 9, 2021

Convening Organization: Apartment Association – Legislative Affairs Committee
Number of participants: Approximately 20 – in person.

Key Comments:
- Concerns around the impacts of these policies to push development out of Denver and into surrounding metro areas that are not adopting such requirements.
- Concern that the different options are not comparable and therefore may not follow state law.
- Biggest concern is related to the fee-in-lieu which are astronomical amounts and not a realistic alternative.
- Second concern is with the on-site build option 2 which is less viable than the first option and will add 4-6% of cost to the market rate units.
- Last concern is with the build-on-site option 1 and the 60% AMI rental requirements.
- Concern around administration and impacts to property managers.
- Clarifications around applicability (does not apply to existing development, nor would be retroactively applied).
- Desire to be a part of the solution but does not view these tools as making housing any more affordable, instead expect the opposite to occur.
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Convening Organization: Neighborhood Development Collaborative
Number of participants: 10
Organizations/Companies: Mental Health Center of Denver; Metro Denver Habitat for Humanity; Rocky Mountain Communities
Comments/Questions:
  • Questions related to timeline and implementation.
  • Excitement around the affordable housing review team and the overall approach.
  • As affordable housing developers, the proposed incentives will be a notable benefit.
  • Desire to see the city proactively address lessons learned from past programs.

November 9, 2021
Near Southeast NPI Steering Committee
Number of participants: 21
Comments/Questions:
  • Overall support for the city requiring affordable housing.
  • Questions if the proposed percentages are enough to address housing needs.
  • Questions about how people can access affordable housing units currently and those created in the future.
  • Desire to see new development contributing more through linkage fees.

November 15, 2021
CREA Meeting
Number of participants: Unknown, hybrid meeting
Comments/Questions:
  • City’s ability to change the requirements if its determined that the policies have a negative effect on housing supply.
  • Opportunity for more incentives to be provided to developers constructing affordable housing.
  • Clarification on the policy approach and intent to drop the current right-of-first-refusal requirement for mixed-income housing created through these tools.

November 19, 2021
All-In Denver Board Meeting
Number of participants: Approx. 6-8
Comments/Questions:
  • General support for the direction the city is going with this policy
  • Some members raised concern that this policy effort places a societal burden on a small subset of the population – have we explored other options such as property or sales tax?
  • All-In will consider providing support in the form of letters and/or testimony once they had a chance to digest and discuss and are anticipating revised

November 30, 2021
Mile High Connects Focus Group
Number of participants: Approx. 8-10
Comments/Questions:
  • General support and appreciation that the City is taking this step to create much needed affordable housing options
  • Would like City to prioritize disproportionately impacted communities (BIPOC, Immigrant/refugee, etc.) and center racial equity
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• Would like to see incentives for deeper affordability, larger family units, etc.
• Along those same lines, a focus on anti-displacement pressures in vulnerable neighborhoods and preservation of affordable housing with use of linkage and/or fee-in-lieu funds
• A focus on greater transparency and accountability to community will be important

Community Office Hours

Dates: September 22, October 28th, and November 9th

Key Comments/Questions:
• Shared excitement for the draft proposal and the by-right incentives to create more affordable and market rate housing.
• Desire to learn more on the fee-in-lieu fund usage and how it will create new housing units.
• Glad to see reduced parking minimums on the table, which adds cost and doesn’t make sense everywhere in the city.
• Appreciates the simple nuance of the proposal and creating distinctions where necessary but keeping it easy to understand and have clear expectations.
• Wants to ensure that there are strong guardrails on the alternative outcomes, specifically land dedications.
• Interest in learning more about the expedited review process for affordable projects.

City Hosted Focus Groups

Financial Feasibility Focus Group

Dates: September 8 and 9, 2021 – Participants were invited to participate in one of two focus groups to discuss the financial feasibility.

Number of Participants: 70 (combined between the two days)


Staff and the consultant (Root Policy) presented the financial feasibility approach, inputs, return metrics and findings. Participants asked a series of clarifying questions around the feasibility approach and numbers behind the model. The following focuses on key comments.

Key Comments:
• Concern about the most recent increase in property taxes and the high taxes in Colorado/Denver.
• Concern that the parking ratios are still lower than what the market is typically expecting and thus this really isn’t an incentive anyone can use.
• Concern about the feasibility finding that high-cost areas such as downtown can support a greater affordability contribution. Would assume the inverse due to the costs.
EXPANDING HOUSING AFFORDABILITY
Through market-based tools

- Concerns about the high-rise condo pricing and costs. Given current projects, the numbers seem too low and efficiency assumptions are too high.
- Would like to see larger units “incentivized” over smaller studios or 1-bedrooms.
- Questions around the cumulative impact of other costs imposed by the city such as green roofs, transportation demand management (TDM), building code updates and other costs related to energy efficiency and climate resiliency.
- Desire for the requirements to change and adjust with market changes, what will happen if the market shuts down? How can this program be responsive?
- Questions around alternative compliance and the need for developers to have options as an alternative to providing the affordable units on site
- Questions around the effect of recently negotiated affordable housing agreements.
  - Staff clarified that those with existing affordable housing agreements executed after January 1 of 2017 would be exempt and instead subject to the terms of that agreement.
- Desire to see a robust incentive package to off-set the cost of developing affordable units. Consideration to work with Denver Water to reduce/waive tap fees.
- Desire to have more time to consider the proposal and provide feedback.
- Desire to see the City seek out additional programs that do not put the burden on the development industry.
  - Staff stated that this is one of many tools to support affordable housing needs. Other key funding sources include the Marijuana sales tax, general sales tax for homelessness resolution, and the property tax. The city prioritizes state, local and federal resources to serve households with the greatest housing needs and these programs can complement existing programs to provide a modest but steady supply of affordable housing to the market.

Focus Group: Implementation Date and Approach for Existing Projects
Dates: September 30, 2021 – Participants were invited to participate in a focus group to discuss the implementation date and approach for projects already in development review process.
Number of Participants: 40


City Staff presented the anticipated project timeline with a council adoption planned for Q2 of 2022. Focus group discussion was centered around understanding different approaches to implementing the policy while balancing housing needs, market impacts, and city staffing/systems for implementation.

Key Comments:
- Many projects spend well over $1M by the time they get to concept submittal and that doesn’t consider the potential purchase of land which may have already occurred.
- Strong sentiment to have the cut-off at the time of concept.
- Desire to see fees collected at time of CO rather than building permit.
- Don’t want to see any requirements retroactively applied to projects already underway.
- It’s likely that whatever the cut-off date, there will be a rush of submittals.
- Even if a proposal is out in October, many lenders do not address until the ordinance is adopted, therefore the cut of date should be well after the council hearing.
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Through market-based tools

- Concern that projects subject to LDR or design review take longer or may not even be able to submit for SDP even if they are in another process. This should be considered as its sometimes outside of the hands of applicants.
- Desire to see "serious" projects be exempt, consider looking at more triggers.
- Consider a voluntary opt in date to work out the kinks and then a hard date.

Focus Group: Proposal Overview
Dates: November 1, 2021
Number of Participants: 55 – predominately development industry

Key Comments:
- Desire to see the feasibility study revised for a third time based on latest comments and market changes.
- Concern that this program is solving for affordable housing and will then create adverse impacts for small businesses. Want to see a "successful" linkage fee.
- Want to see opportunities for incentives in areas vulnerable to displacement for affordability to be bought down.
- Concern with the impacts and cost assumptions to smaller townhome developments which often provide attainable ownership opportunities.
- Desire to see higher permit fee reductions with no cap.
- Concern that housing is a societal problem that is being solved solely by the development community.
- Want to have more clarity around the parking exemptions.
- Want to have a clear off-site requirement enabled.
- Desire to see the program serve up to 140% AMI.
- Concern about the slowing of the housing market because of these programs.
- Want to better understand the comparison between current regulations and proposed.
- More financial incentives to off-set the cost.
- Everyone should be taxed to address affordable housing, not just developers. (Note: the city has a property tax that is specific to affordable housing)
- Concerned that the higher affordability requirements in high-cost areas will only hamper development.
- Fees should be reduced from today, not increased.
- Clarity as to how the existing incentive systems (e.g., 38th and Blake) will be addressed.
- Desire to see density incentives in low-density residential areas where housing is restricted.
- Desire to see greater flexibility given changes in the market.
- Want to see more affordable housing for older adults who are living on social security.
- Want to understand the impacts on attainable and market rate housing.
- Taxing housing to get more housing is counter intuitive.
- Concern that the proposal goes too far overall and will make the problem worse.
• Concern that smaller projects (e.g., townhomes) will be severely impacted given the scale of these projects.

Focus Group: Mandatory (Inclusionary) Housing & Alternative Compliance
Dates: November 4, 2021
Number of Participants: 36

Key Comments:
• Desire to see a more streamlined development review process, time is money.
• Discussion on for-sale housing and a desire to fill the missing middle gap and bring the AMI thresholds up to 140% AMI on the for-sale.
• Preference between the scenarios varies by location, project specifics and the land costs.
• Concern that with interest rates rising and where the cap rates are likely to go, projects will no longer be able to be delivered.
• Difficulty in providing feedback because all the mandatory requirements make townhome projects infeasible. Would like to see the applicability and threshold increased beyond 8 units to allow for infill and attainable housing projects to continue to be built in Denver.
• Costs have gone up dramatically in the past year, so this is really changing the cost to develop coupled with these requirements.
• Sees costs resulting in a 15% increase if paying the fee-in-lieu.
• Over the years, a variety of city standards, zoning and otherwise, have limited the ability to construct townhomes in Denver.
• Concern about the current delays in the SDP process and ability to meet the 14-month deadline. Biggest value add would be a faster review process.
• Desire to see a different approach for for-sale housing projects which is already challenging to build.
• Serving households at 60% AMI is a significant difference between the market rents, nearly half in some instances. Would like to see the program serve up to 100% AMI.
• Concern that these affordability levels miss out on the opportunity for moderate and missing middle housing needs.
• Concern that these programs are not addressing the lowest income levels (below 60% AMI).
Focus Group: Incentives for Mandatory (Inclusionary) Program
Dates: November 8, 2021
Number of Participants: 26
Key Comments:
• Of the current incentives offered, the by-right height increase and streamlined review were viewed as most valuable, with permit fee reductions as also valuable. No participants found parking reductions to be of significant value.
• Concern that the added cost to townhomes is $50K and the proposed permit fee reduction barely offsets that cost.
• Desire to see stronger incentives related to infrastructure improvements, the city should pay for them instead of the developer.
• Part of why projects at GVR or Central Park could provide the affordable housing is because the land was subsidized and able to be offered at a lower cost to the affordable developers.
• Impacts from this program and the building code update will be significant.
• Desire to see the city be able to move faster on all development reviews. This is the biggest challenge right now in addressing supply.
• The city needs to have more accountability when they aren’t hitting their review deadlines.
• Current voluntary affordable housing agreements (most at 80% AMI) have nearly killed projects.
• Doesn’t see the parking reductions as adding value to the current market demands where parking is still expected.
• Concerns regarding other city processes that add time and little value such as the LDR process.
• Desire to see state changes to enable for tax off-sets.
• Desire to see height incentives apply citywide, if it’s an affordable project, it should be allowed by right anywhere in the city, even single-unit neighborhoods.

Focus Group: Linkage Fee
Dates: November 10, 2021
Number of Participants: 30
Key Comments:
• Of the current fee increases proposed, the overall sentiment was that the fee increases were too high, and the greatest concern was with on residential development of 1-7 units and units larger than 1,400sf. The least concerning amount was industrial/manufacturing; however, no industrial developers or reps were on the meeting.
There was a strong desire to reduce the commercial linkage fee with significant concerns noted with the impacts to ground floor retail and brick and mortar shops because of COVID.

Additionally, others felt that there was value in exempting the ground floor retail in mixed-use developments. This would eliminate competing city goals for active ground floor spaces and creating spaces for small locally owned businesses.

Anything that adds costs will be passed on to the future tenants which will impact what businesses can afford to operate in Denver. If Denver wants to attract small locally owned businesses, these increases will limit their ability to afford commercial space in Denver.

Locally owned businesses contribute to the character of neighborhoods and should be encouraged and supported, not taxed.

Concern that these standards are creating a two-tier market, those with developments that occurred before all these regulations and those that occur after all these regulations (plus the building code updates).

Concern that the peer cities have very different contexts and shouldn’t be viewed as an apple to apples comparison. Denver has very high tap fees and commercial taxes.

The high-cost distinction should be dropped, these areas are already very expensive and challenging to build.

**Focus Group: 38th and Blake Incentive Overlay**

Dates: November 10, 2021
Number of Participants: 19
Organization/Companies represented: Mentalo Development, Carmel Partners, Collegiate Peaks, Westfield, and Company, McWhinney, Cavaliere Denver, RiNo Art District, Highland Development, EDENS.

**Key Comments:**

- Desire to see higher density/height with increase in affordability expectations.
- Wants to see a "clean up" of the base and incentive heights to facilitate better urban design outcomes.
- Desire to see a delay in implementation until the market has stabilized.
- In the current system, it was the affordability requirements that discouraged the use of the density bonus and increase in supply.
- Concerns with the SDP process and timeline. 14 months is not sufficient given current delays in permitting and review process.
- Needs to be better messaging and transparency around the city’s need to justify an increase in the linkage fees.
- Fear that Council will adopt something different and not allow projects to respond.
- Concerns that additional costs will be passed onto tenants.
- Concern that the increase in linkage fees will impact RiNos ability to have affordable space for unique businesses.
Website Comments

Through the end of 2021, Expanding Housing Affordability has received 80 comments and 21 questions from the general public related to the project, submitted through the project website. Below is a summary and synthesis of key themes and demographics gleaned through this portion of the EHA engagement and outreach process.

Comments related to EHA broadly fell into three general categories:

1. Strong support for the proposal
2. General support for the proposal, with reservations
3. The city should concentrate on reducing barriers to development and increasing overall free market housing supply rather than adding affordability requirements

Strong Support

A plurality of comments submitted related to Expanding Housing Affordability expressed strong support for the project. Generally, these comments were simply registering support for the project, rather than providing critiques or requested modifications.

Comments representative of this category include the following:

- “I am a resident of X Neighborhood, in Council District X in Denver. I am writing to register my strong support for the Expanding Affordable Housing proposal. I think this is a very important issue in Denver and this is a reasonable and well-thought-out approach.”

- “Thank you for addressing the housing crisis by creating better public policy. As a (occupation listed), I cannot afford to live in Denver. The working class is what makes this city great, and its time to help us.”

- “I think this is a much needed change. Rent in this city has sky-rocketed and has pushed out a lot of generational families from their housing units, typically along racial lines. This city desperately needs affordable housing for all. It will help with the homeless population and help the economy as people have more money to spend elsewhere instead of on rent. This proposal has my full support!”

General Support

The second largest category of submitted comments express general support for the EHA proposal but with a variety of caveats and reservations. Comments representative of this category include the following:

- “I support a project to expand housing affordability in Denver, but I am concerned that the proposal being considered does not go far enough. The large number of people experiencing homelessness and those in low-wage jobs are not able to benefit from the proposal as written. I would like to see 10% of the new housing for 30%-50% AMI households.”

- “I fully support the proposed policy and think it is necessary. If anything, I would like to see it be a little more stringent and implemented faster. We need the housing yesterday and delaying any further will mean Denver will continue to be squeezed for at least four more years before the benefits proposal comes to fruition. I do not think the concerns that industries are still recovering from COVID is a valid argument against this. There will always be some reason to push back against initiatives like this and COVID is just the most recent. I am part of the industry as a (occupation listed) and believe there is room in development budgets to accommodate these requirements.”

- “This will be a step in the right direction but the number of unhoused individuals in the Denver metro region is expected to rise.”

Key themes within this category include: a desire to see lower AMIs targeted, a higher percentage of affordable units required city-wide, much higher percentage of affordable units required in NEST neighborhoods, support for deeper incentives (including additional height and further reduced parking requirements), higher linkage fees, and a lower unit threshold for the mandatory requirements to kick in. Several people also voiced concerns that this project does not address the needs of Denver residents experiencing homelessness. No comments that were generally supportive of EHA voiced concern that any of the specific recommendations “went too far,” or would unnecessarily encumber development.
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Through market-based tools

Reduce Barriers

Approximately 20% of comments received were critical of the EHA project and recommended the city concentrate on reducing barriers to development rather than introducing any new requirements, fees, or "red tape" to the development process. Comments representative of this category include the following:

- "Making new development more expensive will only exacerbate our housing affordability issue. Create higher & denser zoning, remove barriers to new construction, make it easier & faster to move a new housing project through planning/building dept. Do everything you can to make it as easy as possible for developers to build new projects! They will build, rents & prices will come down into equilibrium and we'll get past the housing affordability crisis. And add at least 3-5 more stories available to build to every zoning area & remove all single-family zoning districts in Denver. It's Common-Sense, Basic Economics."

- "Eliminating zoning rules is the best way to obtain more density and cheaper housing. This plan is a government solution to a government created problem. In the end, by creating more red tape to development, this plan will probably make the problem of affordable housing worse. Legalize housing."

Key themes and recommendations within this category include: speed up the review processes for new development, eliminate single unit zoning, general upzoning of the city is needed, fee reductions are needed, and reducing incentives to build free market housing will result in higher future prices for current housing.

Demographics of respondents:

Gender. People submitting a question or comment to EHA through the website were asked to answer the following demographic question: "What is your gender?": 50% of respondents identified as male; 40% of respondents identified as female; 10% of respondents preferred not to identify

Race and Ethnicity. People submitting a question or comment to EHA through the website were asked to answer the following demographic question: "What is your race or ethnicity? Please select all that apply. You may report more than one group" Results below:

- 69% of respondents identified as White
- 16% of respondents preferred not to identify
- 7% of respondents reported more than one group
- 4% of respondents identified as Black or African American
- 2% of respondents identified as Hispanic, Latino/Latina/Latinx, or Spanish
- 2% of respondents identified as Asian

Rent or Own. People submitting a question or comment to EHA through the website were asked to answer the following demographic question: "Do you rent or own your home?": 66% of respondents own their home; 24% of respondents rent their home; 9% of respondents preferred not to answer the question.

Household Income. People submitting a question or comment to EHA through the website were asked to provide the following information: "Please estimate your total household income, before taxes, in the last 12 months. Please include all sources of income for all adult household members" Results below:

- $200,000 or more: 18% of respondents
- $150,000 - $199,999: 10% of respondents
- $100,000 - $149,999: 19% of respondents
- $50,000 - $99,999: 25% of respondents
- $25,000 - $49,999: 6% of respondents
- Less than $25,000: 3% of respondents
- Prefer not to Answer: 16% of respondents

Age. People submitting a question or comment to EHA through the website were asked to answer the following demographic question: "How old are you?" Results below:

- 19-34: 26% of respondents
• 35-44: 26% of respondents
• 45-54: 16% of respondents
• 55-64: 6% of respondents
• 65-74: 13% of respondents
• 75 and older: 5% of respondents
• Prefer not to Answer: 9% of respondents
Appendices

Appendix A: List of organizations and or businesses directly engaged through outreach.

Appendix B: Letters received on the draft proposal between October 1 and December 31, 2021

Appendix C: Complete comments list received from the website from July 1 to December 31, 2021
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List of organizations/businesses listed in alphabetical order.
Affinity Partners
AIMCO
All In Denver
Alliance Residential
Amacon Construction
AMIL Residential
Anti-Displacement Policy Network
Apartment Association - Legislative Affairs Committee
Apartment Appraisers
Apartment Association
Archway Housing
Avalon Bay Communities
Avanti Residential
Ballard Spahr
BCM Investments
Bindery on Blake
Boulder Creek Life and Home
Boulder Housing Partners
Broe Development
Brookfield Partners
Brownstein Hyatt Faber Schreck
Bruce Baukol
Carmel Partners
Cavaliere Denver
Center for Community Wealth Building
Cherry Creek Area Business Alliance
Cherry Creek North BID
Christopher Carvell Architects
City of Aurora Third Sight Strategies
CliftonLarsonAllen
Colfax Mayfair BID
Colfax Ave BID
Collegiate Peaks
Colorado Apartment Association
Colorado Coalition for the Homeless
Colorado Department of Local Affairs
Colorado Gerontological Society
Colorado Housing and Finance Authority
Colorado Legal Services
Confluent Development
Connectors de Montebello
Communities That Care (CTC)
Conservation Colorado
Concilium Design
Convergence Multifamily Real Estate
CREA Meeting
Crema
Crescent Communities
Crestone Partners
CRL
Cultivantdo Network
Cunningham
Curell Program Management
Cypress Real Estate
D4 Urban Land
Daydream Apartments
Del Norte
DEN - Airport
Denver Board of Adjustment (BOA)
Denver Health
Denver Housing Authority
Denver Indian Center
Denver Metro Association of Realtors (DMAR) - Government Affairs Committee
Denver Urban Renewal Authority (DURA)
DIG Studio
District 3 Anti-Displacement Housing Group
Downtown Denver Partnership BID
Downtown Denver Partnership BID Council
Downtown Denver Partnership City Live
Downtown Denver Partnership Development Council
DR Horton
East Colfax Community Collective
East West Partners
Economic Planning Systems
EDENS
Enterprise Community Partners
EnviroFinance Group
Ethos Solutions
Evergreen Development
ExDo
Fax Partnership
FGMC
First Bank
Five Points BID
Focus 360 Development
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Second Chance Enter
Servios de La Raza
Sewald Hanfling Public Affairs
Shames Makovsky
Shears Adkins Rockmore Architects
Shopworks Architecture
Siegel Public Affairs
Southern Land Company
Staff Scales
Starboard Realty Group
Sterling Ranch Authority Board
Story Built
Studio Seed
Sunnyside United Neighbors Ince (SUNI) RNO
SW Denver Boys & Girls Club
Taylor Morrison
THB SK LLC
The Kenny Group
The Wall Group
Thrive Home Builders
Trammel Crow
Trinsic Real Estate Partners
Trust for Public Land (TPL)
TTGY
UDR
ULI Colorado
United Northeast Denver Residents
United Properties
University Park Community Council
Urban Land Conservancy
Urban Land Institute Housing Committee
Urban Land Institute Multi-Family Product Council
Urban Ventures
Urban Villages
US Bank
Volunteers of America
Wells Fargo
West Colfax BID
West Neighborhood Area Plan Stakeholder Meeting
Westfield
Westfield/North Wynkoop
Westside
Withing Management Resources
Wood Partners
YIMBY
ZF Capital
Zions Bancorporation
Zocalo Development
TO: Analiese Hock, Denver Community Planning & Development & Brad Weinig, Denver Department of Housing Stability

FROM: Jennie Rodgers, VP & Denver Market Leader, Enterprise Community Partners

RE: Expanding Housing Affordability Through Market-Based Tools Proposed Policy Approach

Enterprise Community Partners appreciates the opportunity to share feedback on the Expanding Housing Affordability (EHA) project proposed policy approach published October 1, 2021. I was pleased to have been an active member of Advisory Committee that was integral to creating the draft proposal; we value the thoughtful, evidence-driven process of the Committee, Community Planning and Development (CPD), the Department of Housing Stability (HOST), and Root Policy Research.

Enterprise fundamentally supports the EHA proposal. It is critical for the City to enact such market-driven policies to further the production of much-needed affordable housing. Based on the extensive research and justifications assembled by Root Policy Research and CPD, we back the proposal as a logical and realistic way forward that has the potential to meaningfully advance the availability of desperately needed affordable homes throughout Denver.

At the same time, Enterprise hears and agrees with community concerns that the EHA proposal should go further to help prevent involuntary displacement and should include clearer guidelines for the City’s capacity to negotiate alternatives to the standard mandatory housing requirements. We urge CPD and HOST to proactively address these areas of concern before moving to finalize the policy.

The EHA policy should more directly serve Denver’s neighborhoods that are particularly prone to involuntary displacement. Specifically, we urge:

- directing linkage fee revenue to the development of affordable units in these geographic areas and providing for a process for meaningful community input for projects funded through this mechanism.

- increasing the fees associated with development of single-family homes larger than 1,400 square feet to partially offset the impact that scrape-offs and development of large homes have on affordability, causing displacement of long-time residents and contributing to increasing home prices.

- intentionally advancing this policy in tandem with HOST’s forthcoming housing prioritization policy to ensure those who have experienced or are at greatest risk of displacement benefit from production enabled by the EHA proposal.
The EHA policy should also articulate guidelines on when and to what community benefit the City will negotiate alternatives. We understand there are and will continue to be instances in which the City’s ability to negotiate with a developer will allow for creative outcomes benefitting unique communities, and appreciate the examples detailed in the draft proposal. However, we urge greater detail be provided, particularly on the HOST Executive Director’s ability to negotiate discretionary agreements. The final policy should include clearer parameters on when HOST would deem such negotiations appropriate and what types of outcomes would be desirable, as well as offer ways for community to be involved in those determinations. Doing so would help ensure CPD and HOST’s intent for negotiated alternatives long-term, as well as promote community accountability and the adoption of community-identified priorities.

Finally, Enterprise acknowledges that while a critical step, the EHA policy proposal is just one piece in the much bigger puzzle of Denver’s affordable housing solutions. Mandatory units, linkage fees, and incentives cannot and were never intended to address the full range of our city’s dire housing needs. The EHA proposal must be thoughtfully integrated with current and new tools HOST develops in implementing its 5-year strategic plan—particularly the housing preference policy. This market-driven policy must also be augmented by ongoing, additional public investments in producing and preserving affordable homes for people with extremely low incomes.

We look forward to working together with CPD, HOST, and other city policymakers to ensure passage and implementation of a meaningful EHA policy, alongside the full range of solutions necessary to advance stable, healthy, affordable homes connected to opportunity for all Denverites. Please reach out to Kinsey Hasstedt, State and Local Policy Director (khasstedt@enterprisecommunity.com) with any questions.

Thank you for your consideration,

Jennie Rodgers
12/23/2021

Subject: Expanding Housing Affordability Policy- Recommendations to Ensure Equitable Outcomes

On behalf of Mile High Connects (MHC), a broad partnership of nonprofits, community organizers, philanthropic organizations, and private and public sector partners working to advance racial equity and prioritize equitable investment into community driven solutions, we are writing to commend the City and County of Denver for its ongoing work and commitment to creating new, mixed-income communities within reach for those that need it the most.

The Expanding Housing Affordability (EHA) proposed policy is a critical step to provide housing opportunity and stability for Denver residents, particularly those that continue to be disproportionately impacted by lack of housing affordability and displacement. This moment is an opportunity to institutionalize policy shifts that will enhance the long-term impact of housing affordability and accessibility.

MHC recognizes that this policy is just one piece of a larger housing strategy to create and preserve affordable housing. We greatly appreciate the following components listed in the EHA proposed policy:

- The City and County’s acknowledgement of the cost burden of housing and that new housing tends to only serve higher income households.
- Creation of a mandatory affordable housing requirement sets a precedent that affordable and mixed-income developments are crucial for a more equitable and inclusive Denver.
- Requirement of developer-built affordable units to remain affordable for 99 years is an effective way to ensure longer-term affordability.
- Increased incentives around development of affordable housing, including waiving of municipal fees for developers.
- Inclusion of additional financial and zoning incentives for projects that create all-affordable developments, not solely the minimum percentage.

Nevertheless, MHC believes that further measures should be addressed within the policy to ensure that it meets the needs of those who are most disproportionately impacted by Denver’s housing environment and provides deeper opportunities for equitable investment and programs within our most vulnerable neighborhoods.

As MHC, we urge you to consider the following recommendations that seek to create a more equitable process and outcome for new, affordable housing developments in Denver:

1. **Prioritize Disproportionately Impacted Communities and Center Racial Equity:** For too long Black, Brown, Indigenous, and People of Color (BIPOC), low-income, immigrant and refugee communities have received the brunt of lack of affordable housing, gentrification, and
While the proposed policy focuses on providing housing options for those with lower average median income levels, it fails to provide explicit measures for community benefit and does not emphasize the need to center racial equity. To prioritize community benefit and advance racial equity, the policy should result in the creation and implementation of a Racial Equity Scorecard to assess the community impact of new developments prior to a project’s approval. Assessment criteria should be vetted by community and address community-voiced needs and priorities. Furthermore, the City and County of Denver should increase opportunities for community engagement and outreach to identify housing disparities among community. Continued data collection and analysis of project metrics is also imperative to ensure projects are indeed abiding by the EHA policy mandates. Evaluation metrics should be shaped based on community input to determine the specific equity and housing improvement metrics and outcomes used to measure development benefits. Additionally, City resources and funding should be dedicated to promoting and amplifying community informed processes to assess and co-create solutions that mitigate the impact of displacement and gentrification.

2. Incentives for Increased Number of Affordable Housing Units: The current policy includes incentives for developments that incorporate baseline percentages of affordable housing options within projects. To further increase the number of affordable and accessible homes, additional incentives and prioritization should be granted to developers who exceed the minimum requirement. Additional incentives and prioritization should be granted to projects that preference multi-family units, that provide more affordable bedrooms and access to 3–4-bedroom units as part of the existing discretionary agreements. The policy should also incorporate weighted reviews for developments that provide deep accessibility for legacy residents, disproportionately impacted communities, and neighborhoods most at-risk of displacement. Lastly, greater incentives should be available for developments that provide flexibility in affordable housing building type, such as cooperative housing and Community Land Trusts (CLTs).

3. Initial Uses of Funds Collected: Mile High Connects would like to make recommendations on how linkage fees and Fee in-Lieu payments are utilized to advance community pathways to building assets and wealth. Specific uses for these funds include:
   a. Support community capacity building programs that increase community ownership and shared equity structures for housing. Community ownership models have proved an effective way to ensure power stays within communities and increases the opportunity for intergenerational wealth and cultural preservation.
   b. Prioritize the use of linkage fees and Fee in-Lieu payments toward supporting community programs like CLTs and cooperative housing for communities most vulnerable to displacement.
   c. Prioritize collected fees for community benefits outside of housing to encourage economic development such as workforce training options and promoting minority owned, women-owned, or emerging small businesses.

4. Transparency and Accountability to Community: It is crucial that the City and County commit to timely, readily available information that can be accessed by community. Implementation
processes should also include mandatory community reporting through meaningful assessments of policy success, progress, and any unintended consequences of the policy. Effective and open communication with the community is a must to ensure that future research, development, and policy is informed by those who are impacted the most.

5. **Additional Considerations to Ensure a More Equitable and Resilient Denver:**
   
   a. Establish adequate, permanent revenue sources dedicated to supporting community pathways to building assets and wealth.

   b. Consider the impacts on BIPOC developers within future policy development. Centering racial equity, BIPOC developers should be beneficiaries of the policy and ensure that if implemented, the policy works to reduce barriers to participating and incentivizes to engage in the development of affordable housing.

   c. To ensure long-term and future affordability in Denver, the City should acquire strategic properties such as undeveloped public land, City owned land, and parking lots for future affordable housing sites. These sites should then be given first to affordable housing developers.

   d. Prioritize equitable transit-oriented development for community benefit. The current policy includes parking exceptions for developments that provide a greater percentage of affordable housing options than the minimum requirements. To offset unintended consequences of lack of parking, affordable housing developments should be coupled with transit passes or discounted fares to promote multi-modal transportation and greater access to transportation options.

We appreciate your commitment to addressing housing insecurity and affordable and workforce housing in Denver, and your consideration of these recommendations.
December 31st, 2021  
Re: Expanding Housing Affordability Draft Proposal

Dear Analiese and Brad,

Thank you for all of the time and effort you have invested in crafting the City’s draft proposal for Expanding Housing Affordability. The Neighborhood Development Collaborative has been following the process very closely and appreciates the thoughtful approach as well as the nuance that is woven into the proposal.

Many NDC members have been involved with past efforts to better engage the market with workforce housing goals. These include the Denver Inclusionary Housing Ordinance for for-sale housing, the 38th and Blake Overlay District, and efforts in other metro-area communities such as Longmont and Boulder. From this experience, NDC would like to recommend a few additions, changes, and clarifications to the current draft proposal.

1. **Negotiated Agreements**

   **Concern:** The option for negotiated agreements opens up the opportunity for protracted negotiations that delay getting essential housing in service; additionally, the discretionary agreements may be vulnerable to political pressure in future administrations.

   **Recommendations:** Create a process for negotiated agreements that is completely transparent and measurable. The City should:
   a. Go beyond providing examples of project components that would lead to a discretionary agreement. Instead, we recommend using the goals in the 5-year Strategic Plan to create a list of objectives that could trigger a discretionary agreement.
   b. Create clarity around how each negotiable component of a project is valued. Example: Are 3+ bedroom units worth more in certain parts of the city over others? In short, codifying the value of negotiated items creates less room for perceived bias.
   c. Leverage the “but for…” test when entering into a negotiated agreement to ensure that negotiated alternatives are only used in cases where a preferred outcome could not be reached without them. In addition, each use of a negotiated alternative should be reported in reference to identified housing needs. These reports should be analyzed for patterns and used to inform future adjustments to the Mandatory Housing Program.

2. **Single-Family Residential Development**

   **Concern:** The current design of the mandatory housing requirement asks developers of large-scale multi-family developments to help address the housing needs of our community in a way that is both impactful and creates mixed income communities. Meanwhile, developers building single-family or small-scale multi-family housing are asked to pay a relatively small linkage fee. This despite the fact that the business model for some
developers and investors is to purchase and flip many single-family homes spread across multiple neighborhoods or communities. These homes are often converted into luxury for-sale or rental units. The impact of these conversions, while dispersed over a larger area, can have a greater impact on displacement than larger developments due to the erosion of affordable single-family for-sale housing stock, and the resulting increase in property taxes for nearby homeowners.

Furthermore, by not applying the mandatory housing requirements to residential development that produces fewer than 8 units, many areas of the city that restrict multifamily development will remain exempt from including affordable housing options by default. This precludes access to high-amenity areas in the City, continues to promote income/racial segregation, and is in direct opposition to the equity goals of the City.

Recommendations: To incorporate affordability more equitably across the city, developers who build or rebuild 8 or more single-family homes in a year should be subject to the mandatory housing policy. Affordable single-family homes created through this process should be deed-restricted or placed in a land trust to preserve long term affordability.

Note: We recognize that 2-7 unit developments will still be exempt from the mandatory housing policy. While this does create some inconsistencies, it may also motivate increased development activity in this under-utilized range.

3. Linkage Fee & Fee-in-Lieu Uses

Concern: Some housing advocates argue that new affordable housing should be focused in lower-income neighborhoods that are facing displacement pressure. This is especially called for in cases where these neighborhoods are unlikely to see the new multifamily development that would include affordability through EHA. While we agree that it is essential to support these neighborhoods, we feel that it is also critical to create affordable housing options in high-amenity areas that have traditionally excluded low-income and minority residents. These two priorities can sometimes be perceived as in opposition to one another.

Recommendation: The City should take an intentional approach to new affordable housing that will leverage funds from the linkage fee and fee-in-lieu programs. This approach should balance creating housing in both contexts: areas vulnerable to displacement and areas that have a history of exclusion, thus, offering Denverites more choice to determine what best meets the needs of their households and addressing all 3 of the Blueprint Denver Equity Concepts.

4. Linkage Fee Exemptions for Affordable Commercial Space

Concern: Similar to how affordable housing providers work in partnership with the City to address local housing goals, some commercial landlords offer favorable, below market terms to support Denver entrepreneurs, nonprofit facilities, and general economic development within the City. Unfortunately, assessing a linkage fee on these properties will have the unintended consequence of reducing the ability of landlords to keep costs low for community-serving commercial tenants.
Recommendations: As affordable housing providers are exempt from the mandatory housing requirements, landlords providing affordable commercial space should also be exempt from the linkage fee. NDC recognizes that there are less agreed upon metrics to measure affordable commercial space. Some places to start may include basing exemption eligibility on:

a. Triple Net Lease Structure - this supports the regularity of tenant costs and encourages landlords to make building efficiency upgrades, also addressing the goals of Energize Denver.

b. Below Market Rate Rent Standardization - require eligible units to be rented out at a specified percentage below market rate, ranging between 20-50%* relative to the typical and high-cost submarkets already identified.

c. Due to the volatility of the commercial market, the parameters for linkage fee exemption should be evaluated regularly.

*Exact numbers should be derived in collaboration with landlords working in this space.

5. Periodic Review of Expanding Housing Affordability Policy

Concern: As was stated throughout the EHA proposal, for inclusionary housing policies to be effective they need to be finely calibrated to local market conditions. As market conditions change, the inclusionary policy will diminish in effectiveness if not reviewed and revised.

Recommendation: The Expanding Housing Affordability policy should be assessed on a regular schedule to respond to the changing market and to additional lessons that emerge over time. For this assessment to be successful it should:

a. Incorporate an objective perspective to avoid politicization and balance the realities of development feasibility with the need for affordable options.

b. Leverage the patterns that emerge from tracking negotiated alternatives and incorporate them into the policy in a way that reduces the need for these alternatives.

c. Create a transparent review process through which adjustments to the policy incorporate feedback from market rate developers and affordable housing advocates.

Again, NDC would like to acknowledge all of the work and outreach that has gone into shaping this proposal. We appreciate the research, the technical knowledge, as well as the time you spent with us and other groups to create a tool that can help Denver meaningfully advance our collective housing goals. Hopefully, the above recommendations can further strengthen the Expanding Housing Affordability policies, and we look forward to continued engagement with CPD and HOST as this proposal moves forward.

Sincerely,
Jonathan Cappelli

Executive Director,
Neighborhood Development Collaborative
December 22, 2021

Analiese Hock, Principal City Planner
Community Planning and Development, City and County of Denver
Wellington E. Webb Municipal Building
201 W Colfax Ave, Denver, CO 80202

Re: Expanding Housing Affordability Proposed Policy Approach

CC: Mayor Michael B. Hancock, Denver City Council, Laura Aldrete, Jill Jennings Golich

Dear Ms. Hock,

As members of Denver’s local business, residential and commercial development community, we are committed to building diverse housing options that serve all income levels to meet the overwhelming demand and need for housing in our city. We share a common goal: the creation and use of sound market-based tools that address all housing needs in all Denver neighborhoods.

We come to you collaboratively, with a goal to partner with City staff, the Mayor’s Office, and City Council in this important endeavor. In that spirit, we believe it is critical to highlight some of the well-intentioned, yet often-times unintended consequences of inclusionary housing programs.

After providing extensive comments during Expanding Housing Affordability (EHA) feedback sessions, participating in EHA Advisory Committee meetings, and sharing an in-depth technical review of the draft proposal, we share four specific areas of concern. These concerns revolve around proposed linkage fee increases, high-cost vs. typical-cost submarkets requirements, proposed offsets/incentives, and current processes and regulations that hinder supply today.

We respectfully ask that you consider the following requests as you finalize the EHA proposal:
**A phased approach to the significant linkage fee increases.**

The City must understand that fee increases will be passed on to the end user, no matter the asset class, increasing commercial rents to businesses large and small. As proposed, the linkage fees in the draft policy represent 200%+ to 900%+ increases to existing linkage fees depending upon the asset class.

These dramatic fee increases will disproportionately hurt independent, neighborhood-serving retail, and “mom and pop” establishments that make Denver unique and attractive. Increasing the financial barriers to entry for “mom and pop” tenants will result in the homogenization of commercial space by large, corporate tenants who can more easily absorb and pass on the proposed fee increase.

We support staff’s current policy direction to exempt mixed-use retail from the proposed linkage fee. This exemption will avoid additional financial burdens on leasing challenging retail/commercial space in mixed-use buildings that are less attractive to retail/commercial tenants due to inconvenient parking, lack of brand identity and increased operational challenges.

For all asset classes, we respectfully request that the proposal phase in the increases over a minimum of a three years, to allow for the market to absorb and adapt to these significant changes. Reasonable, phased-in increases will generate dollars for the Affordable Housing Fund while moderating detrimental policy outcomes that limit job growth for our city’s residents and increase the cost of doing business for mom-and-pop tenants.

Also of note, we believe that during the phase-in period, the City could use American Rescue Plan Act dollars to bolster the Affordable Housing Fund.

**Remove the high-cost vs typical cost submarket requirement differences (mandatory housing and linkage fees).**

We understand the intent to subsidize more affordable units through higher rents in high-cost submarkets. However, economics and development project realities demonstrate otherwise. Members of the development community have provided feedback since early in the process that this proposal will have the inverse effect – exacerbating not mitigating affordability in high-cost submarkets. Despite our consistent and clear communication there have been no modifications to reflect these concerns.

Variables such as land price, high-cost construction materials and labor, and other development-related expenses are exponentially higher in high-cost submarkets like Downtown, Golden Triangle and Cherry Creek. Creating more stringent inclusionary standards and higher linkage fee requirements in these areas, serving only to exacerbate the lack of affordable housing in areas that need more affordability.
Strengthen the offset and incentive programs to mitigate loss of market rate units and encourage the development of affordable units.

We see ourselves as important partners in the City’s efforts to produce more affordable units in Denver. As such, we are not requesting any changes to the mandated affordable housing requirements or asking for lower fees-in-lieu.

However, the offsets identified in the EHA proposal do not go far enough to mitigate the financial impact to market rate units and overall project feasibility. Proformas run by developers on recently completed and future projects demonstrate that rents on non-subsidized units would need to increase $50-$150 a month per unit to accommodate the proposed affordable housing requirements. These are very real housing cost increases for the majority of renters that will require them to either work more hours or sacrifice other spending in their lives.

To offset rent increases for the “missing middle” (those in the 81-100% AMI range), the city should provide direct credits from the Affordable Housing Fund or another source, or access to the existing loan fund to help “bridge the gap” or cover some of the estimated six-figure delta between the required affordable units and market rate units. Leveraging the linkage fees already paid into the Affordable Housing Fund by developers to help bridge this gap can help create more affordable units while mitigating increased housing costs passed onto others. These costs will have an even greater impact when developers chose to build 8% of their units at 60% AMI. In that scenario, residents between 61%-100% AMI will bear the burden of rent increases to account for the city’s requirements.

We also request the city explore more robust offsets and incentives to encourage development of affordable units and offset impacts of the program. This includes exploring height incentives that are more consistent with the city’s current zoning code districts (i.e., allowing height increase from 5 to 8 stories, rather than the proposed 5 stories to 7 stories to incentivize even more affordable and “missing-middle” units), as well as increasing permit fee waivers on a 1:1 basis for both market rate and affordable units (or essentially doubling the current permit fee waiver proposal).

Streamline development processes and re-examine the city’s regulations to increase the supply of housing.

Finally, as noted above, we applaud and support the city in its efforts to create an inclusionary housing program that is grounded in economics and market-based feasibility. That said, any inclusionary zoning program – as a whole – is not a golden ticket to solving the city’s housing affordability crisis. As expressed during many EHA forums, EHA advisory committee meetings, and other communications to staff, our city needs to encourage the overall supply of homes at all income levels for all our residents. Our affordable housing issue cannot be solved solely through increased regulations or requirements administered by the city because housing affordability is dictated by the balance (or imbalance in Denver’s current case) between supply and demand. The City can facilitate increases in the housing supply by streamlining and accelerating its development and permitting processes, removing inconsistencies between its permit
review and field inspection requirements and examining other regulations that contribute to housing unattainability.

We welcome the opportunity to work closely with city leaders to take a more holistic, comprehensive approach to solving our city’s housing affordability crisis. We urge the City to consider market-based tools such as increasing supply, reducing overly-restrictive regulations, and leveraging the private market to meet the demand for those individuals and families at all different income levels – including the ever-growing “missing middle” population of Denver - where housing options are becoming more and more out of reach due to restrictive and overly burdensome zoning and development regulations.

Thank you for taking the time to review our concerns and considerations. We look forward to working with you on this important effort. Please do not hesitate to contact us if you have any questions regarding our requests.

Sincerely,

Michael Gifford  
President  
Associated General Contractors of Colorado

David Foster  
Chair  
Cherry Creek Business Alliance

J.J. Ament  
President & CEO  
Denver Metro Chamber of Commerce

Nobu Hata  
CEO  
Denver Metro Association of Realtors®

Rachel Marion  
CEO  
Denver Metro Commercial Association of Realtors®

Sarah Rockwell  
Chair  
Downtown Denver Partnership

Katie Barstnar  
Executive Director  
NAIOP Colorado

Betsy Laird  
Sr. VP of Global Public Policy  
International Council of Shopping Centers (ICSC)

Michael Leccese  
Executive Director  
Urban Land Institute (ULI) Colorado

Michael Gifford  
Chair  
Colorado Real Estate Alliance

Marc Savela  
VP of Development  
Broe Real Estate Group

Celeste Tanner  
Chief Development Officer  
Confluent Development

Tyler Carlson  
Managing Principal  
Evergreen Devco

Ian Nichols  
Senior Director  
Flywheel Capital

Kevin Foltz  
Managing Partner  
Forum Real Estate Group

Ferd Belz  
President  
L. C. Fulenwider

Ray Pittman  
President & CEO  
McWhinney

George Thorn  
President  
Mile High Development

Dorit Fischer  
Partner  
NAI Shames Makovsky

Rhys Duggan  
President, CEO & Managing Partner  
Revesco Properties

Tim Welland  
Development Manager  
Palisade Partners

Tim Schlichting  
Chief Development Officer  
Prime West

Bill Mosher  
Senior Managing Director  
Trammel Crow Company
November 23, 2021

Via email: analiese.hock@denvergov.org

Analiese Hock
Principal City Planner
Community Planning and Development
City and County of Denver

Re: Feedback on Denver Affordable Housing Expansion Proposal:

Dear Ms. Hock:

Thank you again for presenting the draft work on the Denver Affordable Housing Expansion Proposal to the Joint Legislative Advisory Council for the Apartment Association of Metro Denver and Colorado Apartment Association. It was a well put together presentation and you did a fantastic job of fielding our councilmembers’ questions. The Council engaged in a lengthy discussion of the Proposal following the presentation and by resolution provides this feedback.

We share and support the City’s goal of increasing the supply of housing to combat the rising cost of housing. However, the Proposal will have the unintended (but unavoidable) consequence of increasing rent rates in Denver.

Low vacancy rates and the corresponding increase in rents are caused by housing supply not being allowed to keep up with the growing demand for housing. Creating additional costs for housing development or limitations on the cashflow derived from that development will slow the creation of new housing. Building new units will be artificially curbed until the resulting unmet demand for housing inflates rent rates sufficiently to offset the increased costs/loss of revenue.

The least costly of the options under the Proposal reduces cashflow from new rental housing developments by 4% in the area defined as the High-Cost Markets and 3.2% in the areas defined as the Other Markets. The impact of the Proposal will be an artificial reduction in housing development until such time as rents inflate by 4% in the High-Cost markets and 3.2% in the Other Markets.

As we have listened to the advocates for the Proposal and tried to understand why their analysis differs from ours, it seems the fundamental difference in approaching the problem is the proponents do not acknowledge that creation of housing in one market segment affects the price of housing in other market segments. Specifically, they maintain that creation of new market rate units won’t improve the price and availability of lower priced or “affordable units”.


We do not claim building market rate units will make someone who is unable to afford those units suddenly able to afford them.

However, when insufficient housing units are available at the top end of the market, some higher-income households will substitute housing units at the next quality or cost tier down, contributing to higher prices of housing units in that tier. Those households that are outbid for housing in that (second) tier will then substitute to housing at the next quality or cost tier down, outbidding lower income households which would otherwise have been able to afford housing in that (third) tier, and so on. Similarly, as new housing is built in the higher or highest cost tiers, some higher-income households will vacate homes in the second tier, which will free up housing units in the second tier for households that may have substituted to housing in the third tier, and so on. Accordingly, the construction of new homes serving higher income households alleviates price and rent pressure in lower tiers in the ladder of the housing market. New homes at the top of the market will increase supply for middle, moderate and lower income households.

We recommend Denver encourage the production of market-rate housing. Denver will facilitate housing affordability more by encouraging builders and developers to construct new homes and multi-family housing units. Although the homes created may be sold or rented at market rates, their creation promotes affordability by helping to satisfy the demand of higher-income households, which would otherwise compete for (and bid up the price of) existing units.

The crux of our concern with the Proposal is that Denver housing prices will be lower if more total housing units are built (even if all those units are priced at market rates) than they will be if a lower number of total units are built and 10% are rent restricted.

As to your request for input on the most problematic elements of the Proposal and how to fix them, we highlight those issue in descending order of importance:

- **The incentives offered by the City (reduction in fee, parking reductions and increased height limitations allowances) are insufficient to offset the 3.2% / 4% decrease in the revenue stream required by the Proposal. Any imbalance between the two will result in fewer new units. The only way to eliminate this chilling impact on development is to increase the value of the incentives offered by the City. The most obvious way to increase the value of the incentives is to increase Permit Fee reduction above the $7,500.00 proposed. The more impactful way to increase the value is apply the Permit Fee reduction to all the units in the development (not just the rent-controlled units).**

- **The Option 1 scenarios (requiring only 60% AMR units) are significantly less expensive than the Option 2 scenarios (requiring a blend of 60% and 80% AMR units). This will mean that no 80% units will be built (unless subsidized by some other program). Denver’s availability of 60% AMR housing compared to the population that requires it is at a nationally normal level. The missing piece in Denver’s market is 80% AMR housing, where there are far more people in need than housing units available. The most impactful thing that could be done to lessen the negative impact of the Proposal would be to target 80% AMR units rather than 60%. Changing the Proposal to require that 8% of the new units be restricted to 80% AMR would only create a 1.6% increase in rents through the Denver markets and would target the most underserved market segment.**
• The biggest incentive that can be offered by Denver is allowing development of multifamily units in the vast areas of the city zoned only for single-family structures. This arbitrary limitation on density is at direct odds with housing availability and affordability.

• The proposed fees in lieu ($311,000 and $268,000 respectively) represent close to 100% of the current cost of constructing a multifamily housing unit in Denver and are exponentially out of balance with the economic costs of the other options under the Proposal. We realize Denver wants to encourage the construction of affordable units rather than the opting for the Fee in Lieu. However, these fees are so high that that they represent only an illusion of choice and don’t meet the statutory requirements of HB21-1117.

• The two-tier approach between High Cost Markets and Other Markets should be abandoned. It makes the Proposal more complex than it otherwise needs to be and will have the unintended consequence of subtly shifting the location of development from where it is wanted to where it is artificially less expensive.

Our members and our staff would be delighted to be of any assistance we can in your work. We all want the same thing. We, like you, want our children to be able to afford to live here.

Sincerely,

Andrew C. Hamrick  
General Counsel and Sr VP Government Affairs  
Apartment Association of Metro Denver  
Colorado Apartment Association
December 28, 2021

Analiese Hock  
Principal City Planner  
Community Planning & Development (CPD)

Brad Weinig  
Director of Catalytic Partnerships  
Department of Housing Stability (HOST)

Advisory Committee  
Expanding Housing Affordability (EHA)

Dear Ms. Hock, Mr. Weinig and Members of the EHA Advisory Committee,

I am writing to share our thoughts, concerns and feedback regarding the City and County of Denver’s proposal for mandatory affordable housing requirements.

These comments are being provided on behalf of the Home Builders Association (HBA) of Metro Denver. The HBA of Metro Denver represents nearly 500 homebuilders, developers, remodelers, architects, subcontractors, suppliers and service providers in the eight metro-area counties we serve.

In Denver, the HBA represents 17 different builders with over 600 registered permits just this year.

Our members have taken considerable time to meet with City staff and officials and review the proposed mandatory affordable housing policy released by the City. These comments are focused on the types of homes our members create, which are primarily for-sale, attached, duplex and single-family homes for families and others.

Our concerns fall into the following categories:

1. The negative impacts to overall housing affordability and supply caused by shifting higher costs onto newly developed market rate units.

2. The disincentive to build for-sale units due to new ownership units having higher percentages of required affordable units. This disincentive is exacerbated by Colorado’s construction defect laws.

3. The lack of meaningful incentives and/or trade-offs to help create much needed “missing middle” for-sale housing units in the ranges of 80-120% AMI and beyond.
Background:

It should be noted that the housing affordability crisis is due to a severe shortage of units and is reaching a breaking point in many markets across Colorado – including the City of Denver. May 2021 set a record-low number of listings in the Denver Metro Area at just 2,075 compared to the monthly average of 15,563. The 12-month increase in the price of the average single-family detached home sold grew by 29%, and the price of the average condominium grew by almost 12%. However, this is not a new problem in Colorado.

The average annual number of new homes built every year in Colorado since the 2008 financial crisis is 46% lower than the annual average in the eight years leading up to the recession. If Colorado were to return to the average housing population ratio between 1986 and 2008, it would require an additional 175,000 housing units across the state today. To close that gap and meet future population needs, Colorado will need to develop 54,190 new housing units annually over the next five years.

If Denver had more housing, and more housing types (something we fear this proposal does not adequately address), our affordability challenges would look much different. But currently and for the past 15 years, the amount of available housing supply within the City has fallen drastically short of the amount of demand. While Denver has enabled certain arterial and commercial corridor locations to obtain much higher densities primarily in the form of apartments and mixed-use buildings—the implementation of the Blueprint Denver Plan from 2002 rezoned large swathes of the City from residential multi-unit zoning, down to strictly single unit zoning. This prevented the creation of duplexes, row homes and other higher-density building forms. A review of the City’s zone map shows the large inequities and inadequacies throughout the City, which are exacerbated by the shortage of multi-family housing stock.

We do not think Denver’s housing policies should be done in a vacuum or without recognition of the State of Colorado’s construction defect laws which make it extremely costly and infeasible to develop for-sale condominiums at scale. While we recognize the responsibility to resolve this issue rests largely upon the State Legislature, Denver enacting a policy that puts for-sale condominium and attached housing construction at a further disadvantage will have additional unintended consequences of further limiting this already dreadfully low, much needed housing type. We understand the City’s proposal raises the income threshold for affordable units from 60% area median income (AMI) on for-rent projects to 80% AMI (on for-sale); however, ownership housing would have to provide a higher percentage of affordable units than for-rent housing—10% of total ownership units in typical cost markets and 12% of total ownership units in high-cost markets (or 15% and 18% of total units under Option 2 of 80% and 100% AMI). Having these higher percentages of units will undoubtedly serve as another disincentive toward building for sale/ownership housing units as the AMI trade-offs are negated by the increased percentage of units on a housing type that is already more expensive and riskier to build.

A fundamental concern with Denver’s proposal is the amount of cost burden that will shift onto market-rate units, which under the City’s proposal represents roughly 90% (or 88-92%) of all new housing units in the city. It cannot be stressed enough - this policy will increase in the cost of housing for roughly 90% of new housing units. Whether it is the higher prices of market rate units to make up for the added cost of constructing the percentage of below-market units, or the fee-in-lieu option, both options involve substantial cost increases which will be borne by buyers of market
rate units. It is important to understand that for every dollar increase in costs, a builder needs to raise the price by more than that to cover the corresponding increases in commissions, closing costs, financing costs and other costs. Additionally, banks and investors expect builders to have some return on every dollar of cost.

Unfortunately, the City keeps talking about the need for affordable housing, while at the same time introducing new policies and requirements, such as net-zero construction, which drive up the cost of building housing without adequate offsets. These cost increases on market rate housing will drive people and families further from Denver and into other markets, often meaning people are living farther away from work and core services in order to find attainable homes.

This predicament points to the larger issue of how the City can actually leverage its collective resources to make more of an impact on affordable housing than the “inclusionary” approach of having market rate units cover the cost of the percentage of affordable units. The HBA provided input similar to this back in 2016-2017 when the City repealed the previous Inclusionary Housing Ordinance (IHO) and enacted the linkage fee requirement. We believe a far better way to increase affordability in a more equitable manner would be to leverage a reliable funding source such as the sales tax for housing or additional mills of property tax left over from De-Brucing, combined with other, more equitable funding sources (some already in existence), to purchase, partner and retrofit existing buildings into affordable housing, buy down rents and implement other large unit generation strategies rather than imposing new cost-raising requirements on an already record high level of building costs for new construction.

Before we lay out some of our recommendations, we want to remind City officials that building new housing does not create affordability problems. In actuality, building new housing (especially in a housing supply crisis) does quite the reverse. Building all types of housing creates a pipeline of supply and brings balance in the housing market that currently does not exist in Denver or the greater Metro Area. In contrast, the creation of new commercial space and primary jobs creates demand for housing and Denver and many other markets are at an imbalance of housing vs. the other drivers impacting affordability.

The HBA of Metro Denver recommends the City consider the following suggestions and improvements to the proposed policy:

1. **For-sale linkage fee only.** For-sale housing should be subject to a reasonable linkage fee and not a percentage of affordable units, which provides a win-win of helping to create more of a significantly low segment of the Denver housing inventory (for-sale housing), while at the same time, generating additional revenue the city can use in innovative ways to lower housing costs.

   a. In lieu of the above, we recommend reconsidering the 8-unit threshold for onsite affordable units. This policy will disincentivize the types of housing projects that are seeking to help the housing market from an affordability perspective. A single home scrape that replaces an existing affordable unit with a much more expensive unit can continue to do this at the linkage fee rate and not help the city’s overall housing shortage, while an infill for-sale project of ~10, 20, or 30+ units would be faced with much higher costs due to having to provide the mandated percentage of onsite affordable units.
(b) Another option worth considering is lowering affordability percentages for sale/ownership projects to 5% of units and/or some staggered tiering of project size and percentage of units and AMI requirement that goes from 80% to 120% AMI (the missing middle), which would provide more opportunities to build this undersupplied type of housing.

(2) **Single-unit zoning.** The majority of the City that is zoned under a single unit zone district needs to be re-envisioned in ways that allow for a more contextual approach to infill housing redevelopment that provides opportunities for more housing density and supply, diversity of product types such as duplexes, row homes, garden court projects and other approaches that will lead toward more affordable and attainable housing options than the very constrained single unit zoning that covers so much of our City. It seems disingenuous to be enacting mandates on residential development while not addressing how the majority of the city is zoned in a way that discourages affordability. (Note: we support the use of quality infill design standards to help with the neighborhood feel and context elements while at the same time not unreasonably driving up costs)

(3) **Height incentives only apply to certain types of development.** The current proposal’s height incentives apply mainly to certain contexts of the city with existing mixed-use or multi-unit zoning, predominantly along commercial and arterial/collector corridors or the inner city. A simple look at the zoning map shows how limited in size and area these areas are and how large majorities of Council districts are predominantly zoned single unit. Furthermore, the height incentives (3 to 4; 5 to 7; 8 to 12; 12 to 16; 16 to 20) are skewed toward multi-family apartment building forms and offer little to nothing toward the building forms where for-sale product is occurring—duplexes, row houses and townhomes. We encourage the City/EHA team to explore possible incentives for building forms under 3-stories that ensure important segments of the housing market are not left out of any meaningful density bonus or incentive structure.

(4) **Other incentives.** Offering a permit fee reduction exclusively to affordable units and not all units within a development is a missed opportunity to provide a more meaningful balance and trade off when considering the significant cost increases the policy creates. While the parking reduction does not do enough to move the needle from a project feasibility standpoint, a more meaningful permit fee reduction, or other financial incentive(s), would help provide more balance, recognizing that building costs for housing are at an all-time high and constantly increasing and piling up.

(5) **Incentives for fee-in-lieu.** Given the extremely high and cost prohibitive nature of the fee in-lieu option, it doesn’t make sense to disqualify a fee in-lieu project from benefiting from some of the potential benefits of incentives such as permit fee reductions and/or parking reductions. The incentives won’t be near enough to offset the cost increases, but this double whammy doesn’t make sense.

(6) **Flexibility and accountability.** How is this policy expected to change as the housing market evolves or outside forces or factors impact the Denver housing market? We never saw regular reporting or high levels of administrative accountability the last time
Denver had an IHO and the data we’ve seen from other inclusionary markets does not indicate a reduction in housing costs or a meaningful increase in affordable units. We believe the city should incorporate meaningful standards for reporting, tracking metrics and continual engagement and dialogue of not only the City Council and the Planning Board but also the stakeholders tasked with alleviating the current housing shortage.

In summary, while we recognize why the City and County of Denver is considering a proposal like this, we urge extreme caution and recommend City officials work earnestly with the residential development community to avoid unintended consequences and provide adequate incentives and support. The increased costs from this proposal will be significant, so it is imperative the city do everything possible to minimize these impacts, recognizing that they will be shouldered by roughly 90% of the new market-rate units created under this proposed ordinance.

The HBA of Metro Denver welcomes and encourages additional opportunities to participate in this policy dialogue and we hope revisions from the first round of formal public input will take into account this letter and others received by the development community. While there are many ways to approach affordable housing, an inclusionary ordinance that targets new development needs collaboration with the development community, so it does not end up doing more harm than good.

Thank you for the opportunity to continue to participate and provide meaningful stakeholder input. Please don’t hesitate to contact the HBA with questions or for further discussions.

Sincerely,

Ted Leighty
Chief Executive Officer
Home Builders Association of Metro Denver
December 31, 2021

Dear Mayor Hancock, Denver City Council, Ms. Laura Aldrete, Ms. Analiese Hock, and members of the Expanding Housing Affordability Advisory Committee:

As part of the City’s Expanding Housing Affordability initiative, we have an opportunity—and in fact, an obligation—to expand the existing Affordable Housing Linkage Fee to create a dedicated funding source for housing-first solutions for our neighbors experiencing homelessness.

“Affordable” housing, while supporting some income brackets of renters, does not provide the support needed to help the city’s most vulnerable populations making 30% of the Area Median Income (AMI) or less. Much of our city’s affordable housing stock is priced for people making between 80% and 120% AMI. This means that in 2020, much of the city’s affordable housing stock was priced for single people making between $54,950 and $84,000 per year, or families with children making up to $139,200 per year. The lower-tier affordable housing stock developed by the Denver Housing Authority, priced at 50% AMI, requires single tenants to make $35,000, and families to make up to $58,000.

Working a minimum wage job at $15.87/hour full-time with no days off, a single mother with two children makes $33,010 each year, and wouldn’t qualify for this housing option. She’d have to wait in line for one of the few housing developments priced for “Extremely Low-Income Populations,” filling out required paperwork to verify her income all while she and her children sleep in their car, on a couch, in a shelter, or on the street. And since there is no long-term affordable housing option available in Denver for people making below 30% AMI ($21,000 per year for a single person, and up to $35,160 for families), this means that they must leave the city, rely on the shelter system, or live on the street.

The Affordable Housing Linkage Fee is a development impact fee levied upon new development in the City and County of Denver, and it draws its power from the “direct nexus” between new market-rate development and increased demand for affordable to low- and moderate-income households. Gentrification, defined as “the process whereby the character of a poor urban area is changed by wealthier people moving in, improving housing, and attracting new businesses, typically displacing current inhabitants in the process,” is widely recognized as a major catalyst of the displacement of populations, evictions, and homelessness. The “direct nexus”—the clear link between new development and the increases in numbers among our neighbors experiencing homelessness—is immediately recognizable in our own community, and has been proven by multiple published research studies. Brynn Rosell’s paper “Gentrification and Homelessness,” published by the National Association for School Psychologists, specifically uses Denver as its sample and representative population.

Despite the City already acknowledging that new development clearly causes an increased need for affordable housing, the City has not yet created a funding mechanism that seeks to
address the cause-and-effect relationship between new market-rate development and the displacement of low-income community members, particularly Black and Brown community members in rapidly gentrifying neighborhoods of Denver. This must change, and our tools must mitigate the disparate outcomes that result from placing new-market rate development in rapidly gentrifying communities.

With the understanding that the City and County of Denver and the State are working to develop and maintain other sources of funding for housing, services, and programs for those experiencing homelessness, it is imperative that developers begin to contribute equitably to the communities they financially benefit from.

We, the undersigned, urge the City to:

1) **Raise the Affordable Housing Linkage Fee to better align with the City’s Housing & Homelessness goals and to meet the true needs of low-income and no-income community members in gentrifying neighborhoods.** An appropriate fee would be the Maximum Legally-Justifiable Nexus Fee per the 2016 Denver Affordable Housing Nexus Study for all land use categories, escalated in an amount equal to the changes in the Consumer Price Index for All Urban Consumers (CPI-U).

2) **Eliminate Section 27-157 of the ordinance,** which allows for the Executive Director of the Department of Economic Development to “reduce or waive” the total linkage fee if the applicant “demonstrates that the required amount of fees exceeds the amount that would be needed to mitigate the actual demand for affordable housing created by the development.” This reduction/waiver allowance ignores and dismisses the clear causal relationship between gentrification and homelessness, even when developments do not directly generate new residents or employees in need of affordable housing.

3) **Dedicate a minimum of 20% of the total annual funds generated by the Linkage Fee directly to housing first solutions to those experiencing homelessness.**

Sincerely,

9 to 5 Colorado  
Colorado Coalition for the Homeless  
Colorado Cross-Disability Coalition  
Colorado Homes for All  
Colorado Poverty Law Project  
Colorado Village Collaborative  
Denver Democratic Socialists of America  
Denver Homeless Out Loud  
GES Coalition for Organizing for Health and Housing Justice  
The Reciprocity Collective  
The Office of Councilwoman Candi CdeBaca, Denver City Council District 9
Dear Analiese and Brad,

Thank you for your tireless work on the Expanding Housing Affordability project. This truly is such a tremendous, overwhelming, and important challenge for our city. We are writing to you on behalf of the undersigned affordable housing developers who are currently working in the City of Denver to propose an important revision to the EHA policy to more equitably support affordable housing development throughout the city.

**Equity and Inclusion**

2040 Comprehensive Plan and 2019 Blueprint Denver are based on the fundamental value of Equity and Inclusion. The plans read: *In 2040, Denver is an equitable city of complete neighborhoods and networks. It is an evolving city where growth complements existing neighborhoods and benefits everyone.*

Blueprint Denver expects low density areas ("all other areas" in the plan) to absorb 20% of growth of housing units.

However, the proposed Expanding Housing Affordability draft exempts the majority of the city from the obligation of providing affordable housing by omitting an affordability requirement for projects smaller than 8 units and not providing incentives to build affordable housing in low density residential areas. Therefore, EHA falls short on allowing access to housing for low-income residents in high-opportunity areas and perpetuates inequities of exclusive, single-family zoning.

To ensure that the EHA program follows the guidelines of the adopted city plans and makes certain that anticipated growth is equitable and inclusive and benefits everyone we are proposing the following revision:

**Density Incentive in ALL low-density residential areas to allow 3-story for-sale and for-rent multifamily developments so long as 50% are permanently affordable units for households earning 80% AMI or less.** This incentive should be paired with all Base and Enhanced Incentives included in the draft. To maintain the scale and character of neighborhoods all existing Building Forms in the Zoning Code can remain unchanged with the exception of eliminating the use limitation constraining the allowable number of dwelling units within the Forms.

Three-story multifamily development is the most cost-effective way to build housing as it provides the economy of scale without the burden of more expensive construction methods associated with higher density developments. Furthermore, this construction style and building forms are traditionally associated with for-sale housing. Expanding the EHA program into low density areas and low-rise construction will deepen the impact of the proposal on affordable homeownership in Denver.

Sincerely,

Habitat for Humanity of Metro Denver
Elevation Community Land Trust
Neighborhood Development Collaborative
Didn’t see you cc’d on this, so figured I’d pass it along.

Happy holiday season!

TSP

From: John ferguson <johnfergusonindenver@gmail.com>
Sent: Tuesday, December 21, 2021 11:56 AM
To: Fisher, Britta E. - HOST MA0054 Director of the Denver Office <Britta.Fisher@denvergov.org>; Laura.Aldrede@denvergov.org; District 1 Comments <District1@denvergov.org>; City Council District 5 <District5@denvergov.org>; District 9 <District9@denvergov.org>; City Council District 10 <District10@denvergov.org>; Herndon, Christopher J. - CC Member District 8 Denver City Coun <Christopher.Herndon@denvergov.org>; Deborah Ortega - Councilwoman At Large <OrtegaAtLarge@Denvergov.org>; District 3 <District3@denvergov.org>; Clark, Jolon M. - CC Member District 7 Denver City Council <Jolon.Clark@denvergov.org>; Black, Kendra A. - CC Member District 4 Denver City Council <Kendra.Black@denvergov.org>; Flynn, Kevin J. - CC Member District 2 Denver City Council <Kevin.Flynn@denvergov.org>; Kashmann, Paul J. - CC Member District 6 Denver City Council <Paul.Kashmann@denvergov.org>; kniechatlarge <kniechatlarge@denvergov.org>; Elenz, Magen M. - CC Senior City Council Aide <Magen.Elenz@denvergov.org>
Subject: [EXTERNAL] Comments on the Expanding Housing Affordability project submitted to the website by a group of Denver residents

Dear Councilors and Dept heads,

We are sending this copy of our comments on EHA to you each to make it easy for you to read them. We are doing this because we care deeply about this important issue. Our signatures are at the end of the email.

Thanks for your attention.

December 21, 2021

We are a group of elders from SE Denver who are concerned about homelessness and affordable housing in Denver. E.g. We have been taking a meal about once a month to one or another of the Safe Outdoor Spaces for the last year.

We are so glad to see the projects the city has been undertaking in the last months to address these issues. The Expanding Housing Affordability initiative seems to offer a substantial step forward in providing critical housing that is affordable to lower-income
working-class people. The HOST 2022 Action Plan includes an encouraging approach to providing a fast response to needed housing using Safe Outdoor Spaces and Tiny Home Villages. We applaud the city agencies who are cooperating in these projects, we’re proud our city is moving in a positive responsive way to meet the needs for accessible homes -- with four walls, a door that can be locked, a window for light and air -- a place to be safe and secure.

More broadly, the Expanding Housing Affordability document does nail down the city’s responsibility to assure housing for all. It begins with a background for both the city’s achievements and its failures of the last 10 or so years. Most importantly, it offers a projection for the whole spectrum of housing needs, by income, the city will face over the next 20 years. Sadly, even disgracefully, it says that 10,500 homes accessible to families in the $60,000 and under income level (the poorest and most vulnerable of our neighbors) have disappeared, a result of age, neglect and gentrification. That critical housing loss has forced those with the least out of Denver, or left to live on their own on the streets.

The richest households with incomes of $100,000 income or more have increased the most, adding about 45,000 new households. These are the people who have been attracted to Denver and are filling the highest income jobs in Denver, gentrifying neighborhoods and raising overall housing prices, making neighborhood housing less affordable for the rest.

Happily, the EHA is aimed at reversing that housing loss, providing assistance to housing directed to mid-level families between these two, with incomes between $64,000 (50% AMI) and $80,000 (80%), the so-called workforce groups.

The EHA document says that the need for rental housing over the 20 years going forward is as follows (but somehow omits support for the 12,000 units serving families earning below 50% of average median income (AMI):

- 2,500 units for families at 51 - 60 AMI
- 4,500 units for families at 61 - 80 AMI
- 7,000 units for families at 81 - 120 AMI
- 9,500 units for families at 121 AMI and above

The EHA program is aimed at that middle group of 7,000 families in the 51 - 80 AMI incomes. The program design to have affordable homes inclusively incorporated in all developments across the city is, we think, great. The idea of having income (class) integration is admirable.
However, we are concerned that the plan fails to project or forecast specific targets or measures of program success. It just assumes the program will be successful. How will the various needs be met? When and at what cost? We did not find accountability measures defined in the documents, how multiple funding sources will be integrated, and a fairness standard established to protect the interests of renters, homebuyers and the shelter-supported.

However, there was a forecast given during the EHA November 4th virtual Open House and it is on the video of the event we found on the EHA website; at roughly the 1 hour and 2 minute mark of the video. Analiese Hock gives the forecast, with some qualifiers, of 200 homes per year. Extended to 20 years, that's 4,000 units. Of course, that is the roughest sort of linear forecast, but it is better than none, and does mark the scope of the project. Taken for what it is, **4,000 homes amounts to 60% of the need for the income ranges the project is aimed at: 7,000 homes in the 51 - 80 AMI groups.**

We also see nothing in the project to address the long-term needs of the lower range – those living at less than 50% of the city’s area median income -- the 12,000 homes/units needed. While completely excluding the city’s most vulnerable households, **EHA Project’s projected outcome will provide 4,000 homes out of 19,000 homes needed in the next 20 years, just about one-fifth of the need you projected.** Better than in the past perhaps, but it offers no transformation of Denver’s housing future.

That is abysmal. After all the work for housing affordability in Denver over the last two decades, we are in a deep hole, with way too many of our neighbors living with severe housing stress of rents at 50% of their incomes or more, and 4,000 or more without homes at all -- 1,500 sleeping in tents in the streets, being swept from one encampment site to another by the DOTI and DPD.

Can we hope, can we expect that we will dig out of this hole with this program? What else is the city going to plan for to remedy the dreadful conditions of those without safe, stable housing? Will we see the city building public housing not just for the below 30% AMI, not just transitional housing for the street dwellers, but for dis-enabled workforce people too? Will we see a breakup of the huge neighborhoods of single family dwelling zoned areas, so that appropriate multi-family affordable housing can be built, in response to high land costs, by allowing homes built on less land?

Denver’s HOST and CPD depts apparently discounted the need for a publicly-funded option to serve those whom the market has never served. The tools are there. The Telluride barricade to local rent restrictions has been broken. The city can intervene in directly creating permanently affordable housing. We should also be working with our Congressional delegation to cancel the Faircloth Limit on our public housing supply which would allow the expansion of public-owned and operated housing, locally controlled and managed, based on Denver’s resident’s needs.
Instead of depending on the leavings of wealthy developers, the city must take direct responsibility to assure adequate and appropriate housing is being developed. Use the power of the people, the public’s will and resources, to assure the public interest is served, incorporating all our public resources (finances, land, public supported institutions, etc.). The city should empower the Denver Housing Authority along with qualified nonprofits and land trusts, to directly intervene in the acquisition of appropriate land and buildings for development of diverse housing solutions, for a healthy, intentionally diverse and inclusive city for the future.

Working in collaboration with DHA and qualified housing nonprofits, managing their coordination with schools, RTD, and other major city and private corporate investments and institutions, we could create a more inclusive, efficient and livable community, welcoming to all Denver’s residents now and into the future.

Please add a section to the EHA Project to set its context in some larger collection of programs, (Or, add a section that points to those other planning and policy tools) so we can see how we in Denver are going to be successful in housing everyone with dignity and prosperity.

We will attend the EHA events in the new year, even into the legislative process at City Council. We hope to see your responses to our comments. We apologize if our recounting of your analysis is tedious; we want to help our neighbors understand what the issues are too.

Thank you for your attention.

Signatures

John Ferguson  
901 S Downing St  
Denver CO 80209  
303-408-3940

Kathryn Smith  
560 S Ogden St  
Denver CO 80209  
303-514-8498

Carol MacConaugha  
429 S Ogden St.  
Denver, CO 80209  
719-331-4527
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<th>DateTime</th>
<th>Response Submission</th>
<th>We want to hear from you. General questions or comments about the Expanding Housing Affordability project can be shared in the text box below.</th>
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<td>07/27/2021 11:33 AM</td>
<td>Comment</td>
<td>Male 35-44 White Own Prefer not to answer. I would like to see Denver offer and even mandate financial education classes for any recipient of subsidized housing. In my line of work I run into plenty of college educated adults that barely know how to balance a checkbook let alone know how to calculate interest on a loan. This world will be in a far better place if everyone understood a bit better about balancing their checkbook, the power and pitfalls of compound interest, etc. I'm sure local banks keep hearing about Inclusionary Housing. Typically this means housing inclusive of affordability, mixed housing, etc. Nowadays I hear the word inclusive of accessible housing, housing for those with disabilities, housing that incorporates universal design so that it is accessible for more people with physical disabilities, those aging with various needs, fewer stairs, include those with wheelchairs, walkers, and strollers. Specifically relating to housing rental costs, why are numbers configured with an individual's gross income? This method minimizes the damaging effects of the rising costs and ability to afford housing and other living expenses (internet, student loans, car payments, insurance and so on). Paying 30% of gross income toward housing is very different than 30% of net income. Even where with a single income in the 61-80% AMI range aren't able to save money or have hobbies (which is imperative to work/life balance and overall wellbeing). Looking at net income provides a more accurate view of this. Upon conducting a word search of the document, we could not find anything related to the developer fee. This sparks the following questions: Do these models rely on a minimum developer fee guaranteed rate? If so, what was it set at? What was the rationale for setting it at that rate? We ask the above because in the last Inclusionary Housing update conducted years ago by the city, there was significant debate about what that level should be. The prototypes for this analysis were created by the same company that did the 38th and Blake analysis, we know that project did not create the affordability levels that were projected. Was the discrepancy between projected affordability and actual affordability due to underlying financial assumptions they modeled, or was it related to the affordability upper limit decided by the city? While the document discusses the relative advantages and disadvantages of high and low fees in lieu - it leaves open the question of what level of fee in lieu the city will implement. What is the decision making process for this part of the equation? The focus needs to be on reducing cost for property owners versus increasing cost. By continuing to add to the cost burden through fees and/or other requirements, it requires owners to push rent/pricing higher on the balance of the market rate units to offset the increased cost. Spread across a bunch of owners this lifts rents in the market as a whole thus continuing to exacerbate the affordability problem. If they brought the cost structure down, it would allow developers/owners to lower the rent while preserving returns. We, as a property owner of over 5,000 rental apartment in Denver and the metro area, would be happy to cap rent to a % AMI rate. While the document discusses the relative advantages and disadvantages of high and low fees in lieu - it leaves open the question of what level of fee in lieu the city will implement. What is the decision making process for this part of the equation? The focus needs to be on reducing cost for property owners versus increasing cost. 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The July 6, 2021 report titled Affordable Housing Policy Recommendations from Colorado Strategic Housing Working Group has further detail and analysis of this. 1. Has the city considered allowing developers to build affordable housing projects and allowing those units to be used to offset affordable housing requirements for future projects? This approach may result in more units actually getting delivered versus putting fees in a piggy bank hoping that they be used at some point in the future. 2. Will the city consider waiving Tap/Permit/Entitlement fees for affordable/attainable housing projects? Anything below 80% AMI will likely require the city to contribute to this projects by waiving fees.</td>
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Instead of piecemeal feedback on the Feasibility Analysis presented to the Committee on July 22, 2021, and to some in the development community in focus groups on September 8 and 9, 2021, NAIOP thought it would be helpful to coordinate our analysis by experts in each industry area and provide them together in this letter.

We applaud your efforts on this complicated issue, and affirm the Committee’s objective posted on the project website to “establish market-based programs for new development that complement existing tools and resources, enabling the city to address housing needs for households in every neighborhood.” NAIOP is committed to this same objective and asks to be a partner at the table as the City and Committee begin the more substantive discussions on the final proposal to be advanced to the public and eventually City Council.

While this letter is focused on the Feasibility Analysis comments, we encourage the Committee to spend ample time discussing the following in your upcoming meetings:

- The need for flexibility and options to meet different market segments;
- What the alternatives to constructing units on site should be (as required by House Bill 21-1117);
- What an appropriate transition period is to implement these changes, and whether they should be implemented in steps to allow the market time to adjust; and
- What incentives should be offered to encourage affordable housing construction.

The current costs of construction are in balance with the current rents or sale prices of buildings in Denver. It is an efficient, market-based system. Banks are not willing to lend on projects with lower than required returns and developers and investors are not willing to take the risks of building properties without adequate compensation. As a result any increase in the costs of development results in higher rents and home prices.

What this will ultimately lead to is the continued shrinking of the middle class, both in business, and in residential real estate. Raising linkage fees and raising requirements for inclusionary housing at lower income levels will cause rental rates for market-rate units to go up. Put simply, those at 80% or lower AMI gain access to affordable units through Denver’s expanded program. And the higher income consumers can afford higher rents and property prices. But the people who are just above the low income threshold (those in the 80-120% of AMI range), who I pay market-based rents, become priced out of home ownership, building ownership, commercial and residential rents, and the ability to live or operate inside the city limits in Denver.

One NAIOP member shared this: “When we estimate rough development fee costs, we typically assume $5-6/sf as an average for Denver fees. The proposed new linkage fee is equal to the assumption we make for all fees, doubling it per square foot.” That is a significant overnight change to the real estate market.

I would like to comment on the parking reduction incentive discussed on page 21. I am very disappointed that, even with the incentive, new developments are required to have a minimum amount of parking. That the city mandates parking minimums is problematic for several reasons. Parking takes up valuable land that could be used to address the housing shortages described in this report, especially for those at <80% AMI. If parking is not included at the surface level, it requires costly underground structures that raise construction costs and unnecessarily increase rent. Parking minimums foster a reliance on cars, which leads to avoidable traffic deaths, increased congestion, and contributes to Denver’s poor air quality. Furthermore, requiring parking undermines efforts to promote walking, biking, and transit use.

The fact that cutting parking minimums is being discussed shows that the city can easily go with reducing the current minimums. Other cities have completely eliminated parking minimums in all or parts of their cities, with some even enforcing maximums. Successful examples include Portland, I agree that Denver needs more affordable housing. However, if developers are forced to sell or lease some units below market, will the price of remaining units be raised to compensate? Because there are now fewer “non affordable” units available? I do favor this requirement and this is a question, not a statement of belief. I’d really like to see the evidence. My concern is that those just above the affordable income line will then have fewer fully support the proposed policy and think it is necessary. If anything, I would like to see it be a little more stringent and implemented faster. We need the housing yesterday and delaying any further will mean Denver will continue to be squeezed for at least four more years before the benefits proposal comes to fruition. I do not think the concerns that industries are still recovering from COVID is a valid argument against this. There will always be some reason to push back against initiatives like this and COVID is just the most recent. I am part of the industry as a structural engineer and believe there is

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We want to hear from you. General questions or comments about the Expanding Housing Affordability project can be shared in the text box below.

This is well-intentioned but will likely have the inverse effect than you are expecting.

The best way to make housing more affordable is to remove barriers to increasing supply, not add them. These restrictions will result in less housing supply being built in Denver and less dense projects to be favored (also negatively impacting affordability).

Studies have shown time and time again that more supply, including “non affordable” supply help to keep prices affordable for all residents. Otherwise buyers at higher ends are priced out as well, and they in turn push up prices of affordable units.

Just make it easier to build and approve denser developments!

Eric

10/14/2021 8:57 AM

I like that this policy is an improvement from our current policies, and I like the parking requirement incentive!

What is the impact of these changes on the City's ability to negotiate deeper affordability, family sized units, community benefits, etc. on larger developments? Who will be determining which developments are Higher Impact? Will there be any consideration for community voice on what might be higher impact in their neighborhood (especially in neighborhoods most vulnerable to displacement)?

How will this positively impact the number of units being built that are at 60 - 80% AMI? What are the projected numbers? What have other cities seen?

What need will these potential units fill? (numbers wise)

What are possible unintended consequences?

Developments of 8 - 9 units would in the majority scenarios not create any full units if so why does the proposal state developments of 8 or more units instead of 10 units or more? Is 8/9 of a unit like a studio? Are these smaller developments the ones occurring most commonly?

10/14/2021 15:49 PM

What cities/policies did the committee review? Why?

Denver needs every tool in the toolbox to address our affordable housing shortage. It’s ‘wild out here. Rents are way too high and it causes people to forego healthy foods, adequate healthcare, and other essentials that increase quality of life.

I support this proposal! We need more affordable housing.

By forcing developers to add “affordable” units in their projects the rental costs for everyone else will rise. If providing such housing is a civic priority then all Denver residents should shoulder the cost, not just developers and renters.

Since this is a requirement, is the City going to avoid past errors? i.e. the 1st statement in the title of the property is “This is affordable housing and as such subject to City approval for the intended sale price which is governed by ...”

I am in favor of this proposal as a solution to affordable housing in Denver. The part that worries me is parking. I see no evidence that people are opting to see Denver become SF or NYC these policies MUST be a) instituted and b) monitored very closely for compliance. There are huge incentives to manipulate and invest money in provide safe affordable housing as quickly as possible. I appreciate the data analysis and graphs created by your team. According to your statistics a maximum 12% of new construction would be "mandated", boy is that a loaded word. You have just encouraged the crazy lifestyles. I would also like to see some % of the fees and profits that developers make or benefit from go into homelessness solutions. If we do not want to see Denver become SF or NYC these policies MUST be a) instituted and b) monitored very closely for compliance. There are huge incentives to cheat the system as designed. Paperwork and filings need inspection and clarity.

I suspect no one will read this anyway so here are my comments. The solutions are too simple enter reality and stop pandering to developers and political manipulation and invest money in provide safe affordable housing as quickly as possible. I appreciate the data analysis and graphs created by your team but I still don’t see how the use of percentages communicates concrete solutions to a growing problem. Your "Key Considerations" seem to be based in reality but there is no coherent plan to address any or all of your own stipulations. Clarity and Communication should be at the forefront of this "project" and I see little evidence here that this creates any where near the required numbers to achieve anything but a fog of statistics and percentages. Whatever your statistics a maximum 12% of new construction would be "mandated", boy is that a loaded word. You have just encouraged the crazy lifestyles. I would also like to see some % of the fees and profits that developers make or benefit from go into homelessness solutions. If we do not want to see Denver become SF or NYC these policies MUST be a) instituted and b) monitored very closely for compliance. There are huge incentives to cheat the system as designed. Paperwork and filings need inspection and clarity.

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We want to hear from you. General questions or comments about the Expanding Housing Affordability project can be shared in the text box below.

This proposal does not address the root cause of the lack of affordable housing in Denver. It will become a tool for rich existing homeowners to block any new development by making new housing more expensive. Under this proposal a developer could build a multi-million dollar single family home without any affordability requirements, but building an 8-unit condo with an average price of $500,000 would trigger additional requirements.

We need to stop trying to make reverse bank shots for solving affordability. Allow by-right development and stop creating additional hurdles to building housing.

10/20/2021 10:31 AM
The Denverite article includes this argument from those that don't think this plan is enough.

"Yet some affordable housing proponents argue the city’s proposal doesn’t go far enough, arguing that there should be a moratorium on building more market-rate housing until there are enough affordable units that would preserve the working and middle class and ensure the economic and racial diversity of the city."

I agree! Until you offer more affordable housing -- and I don't even mean by the official definition, but from affordable based on the fed description and housing even a little above that -- let's call it reasonable housing -- require developers to do much more than what is outlined here to help the situation.

This is, honestly, just an opportunity for the city to say they did something without actually having done much at all.

10/20/2021 11:29 AM
I support the proposal. Mixed income neighborhoods are good for our city, and affordable housing is much needed, both for those living in the units and racially segregated city by allowing neighbors of different races, ethnic groups, classes and backgrounds to reside in the same community. I also appreciate the options to allow developers flexibility in how they choose to meet these requirements, and what seems like a reasonable timeline for implementation. I sincerely hope this passes because Denver cannot afford to waste any more time in addressing this issue, as we are quickly losing low-income communities of color who cannot afford to call our city home, or watching our neighbors experience homelessness.

10/20/2021 11:31 AM
Legalize housing.

Please move forward with the Expanding Housing Affordability project. The number of jobs in Denver has outstripped the housing supply. This has driven up costs and made housing a luxury item. Housing is not a luxury, it is essential. It is absurd to even say that, so please do your best to make housing affordable.

10/20/2021 14:43 PM
What housing options are there and/or being planned in the near future to remove most of the homeless encampments?

10/20/2021 15:54 PM
Where are "High-Cost Markets" and "Typical Markets" defined?

10/20/2021 22:04 PM
It's about time that affordability was really addressed in this city. I'm all for introducing linkage fees to developers!

10/21/2021 6:34 AM
I fully support making affordable housing available so that no US citizen is homeless. Eliminating zoning rules is the best way to obtain more density and cheaper housing. This plan is a government solution to a government created problem. In the end, by fully creating more red tape to development this plan will probably make the problem of affordable housing worse.

10/21/2021 6:42 AM
I support the proposal. Mixed income neighborhoods are good for our city, and affordable housing is much needed, both for those living in the units and racially segregated city by allowing neighbors of different races, ethnic groups, classes and backgrounds to reside in the same community. I also appreciate the options to allow developers flexibility in how they choose to meet these requirements, and what seems like a reasonable timeline for implementation. I sincerely hope this passes because Denver cannot afford to waste any more time in addressing this issue, as we are quickly losing low-income communities of color who cannot afford to call our city home, or watching our neighbors experience homelessness.

10/21/2021 7:08 AM
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10/21/2021 7:17 AM
We need to stop trying to make reverse bank shots for solving affordability. Allow by-right development and stop creating additional hurdles to building housing.

10/21/2021 14:50 PM
I support the proposal. Mixed income neighborhoods are good for our city, and affordable housing is much needed, both for those living in the units and racially segregated city by allowing neighbors of different races, ethnic groups, classes and backgrounds to reside in the same community. I also appreciate the options to allow developers flexibility in how they choose to meet these requirements, and what seems like a reasonable timeline for implementation. I sincerely hope this passes because Denver cannot afford to waste any more time in addressing this issue, as we are quickly losing low-income communities of color who cannot afford to call our city home, or watching our neighbors experience homelessness. Denver does not need to
We want to hear from you. General questions or comments about the Expanding Housing Affordability project can be shared in the text box below.

Unles it's a non-profit, developers don't make homes for free. I would hope that the City of Denver would be cognizant that by increasing the fees on market rate housing, less market rate housing will be built. Less market rate housing means higher prices for all current market rate housing, which is by far the biggest share of housing. I think that Denver's increase in home prices is due to the imbalance of people moving here and the construction of new homes. Policies that reduce the incentive to build housing, will result in higher future prices for current housing. That's not to say there is no place for affordable housing in our housing policies. But the best way to slow prices would be to flood the market with new housing, regardless of price. Supply has not kept pace with demand, so prices rise. The City should consider things like density bonuses to increase the total amount of units. Truly Denver needs to look at how many people move here each year and aim to build that many or more housing units. Otherwise we are just creating a trickle of affordable housing, while the market rate housing keeps rising.

Finally, reducing the parking ratios is a GREAT policy for housing advocates (homes for people > homes for cars), environmental advocates (less cars=less pollution) and everyone else in Denver (less traffic, less deaths). Why would we force developers to build more parking, unless they build their homes many years ago. They have seen their homes increase in value over the years. They've done very well for themselves, at the expense of newcomers and younger people. And this was no accident. People bought homes many years ago have generally fought to exclude others from moving into their neighborhoods. Those homeowners have intentionally blocked new housing from being built near them, and artificially raised prices of land and housing. This is happening across the country.

My husband & I are native Denverites. We are dismayed watching how small family income homes either be torn down for McMansions or expanded to same. New builds of condos & apartments are still beyond the budgets of most young couples & families to purchase & own a home is a pipe dream. We continually ask ourselves how singles, young couples or working class families in Denver are supposed to be able to live in anything other than a cramped space at best, let alone live the American Dream of owning their own home.

This is long overdue. Developers need to be made to build for everyone everywhere, not just for those earning higher incomes. Diversity is what this City needs to get affordable housing into Denver neighborhoods. Right now it segregates it in the few former industrial areas by highways and on some random defunct campus sights around town. This isn't equitable and I don't think this policy will have an impact. We need to allow 4-6 units in all residential neighborhoods, and limit the ability of anti-housing forces to stop those sized projects, especially when it comes to subsidized housing, in our neighborhoods. We should especially focus on getting subsidized units near tools of opportunity like "blue" rated DPS schools. Please rethink this policy, my husband is a small home developer in Denver. My last 3 projects built over the last 6 years totaled 24 units all 1/2 block to light rail. When listed for sale, they were all the lowest priced new construction in the City of Denver. I'll never do it again. The city makes it too damn hard to permit and build this product type. It could have built even lower priced condos, but Construction Defect Liability prevented that. It's much easier to build expensive Detached Single Family homes that due to 85% of the land being zoned Detached Single Family, drives the per unit sales price to $1M+. Here's a quote to take to heart as you weigh it's merits: "You can't make housing affordable by making it more expensive". Every component of this proposal makes housing more expensive.

I have reviewed the EHA Financial Feasibility specifically from a Townhome perspective and the assumption are all incorrect. Here are my #s on a project I am presently building:

<table>
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<tr>
<th>Hard Costs</th>
<th>$230 psf</th>
<th>Soft Costs: $60 psf</th>
<th>Land Cost: $100 psf</th>
</tr>
</thead>
<tbody>
<tr>
<td>Here is what your report stated:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hard Costs: $197 psf</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

The EHA report also states Market Rate Multi-Family projects averaged 195 units between 2015-2019 so it appears the feasibility analysis was based primarily on large multi-family projects of this size. I do not see any analysis of townhome projects in the 10-20 unit range. So to define "large" projects Please stop requiring income restricted, subsidized housing to be constructed as a part of new construction. You are creating welfare cliffs, where Denverites in the income restricted unit end up losing money if their income increases above the threshold. Additionally, you are making the market rate housing more expensive for everyone else to cover the costs, most of whom are also struggling. Lastly, you are increasing the amount of required bureaucracy required to maintain all of these subsidized units. That money should be going towards building more housing. Also, your team should be asking why are we not seeing incentives for housing at higher affordability or rather at AMI rates lower than 60%? If someone works full time at a grocery store making $17 they make around $30,000. How do these essential works fit into the affordable housing formula?

I support this proposal to require affordable homes in large residential developments. I would encourage strengthening it by slightly raising the required percentage as well, especially for the apartments.

Builders and developers should be 'encouraged' to stop building expensive studios and 1-bedrooms and build 2-, 3-, 4-bedroom units. Cheaper to build, but...
As a developer working on a current project for approval in the Denver sub market, it seems that the affordability problem is thrust in developers laps. Affordable requirements on market rate projects are a disincentive for the market to build more capacity because they limit a market rate return and makes it so we must raise rents on non-affordable rate tenants. This creates more unaffordability problems and upward spiraling of rents. When in reality, creating more supply would create more price competition and lower materials costs and lower more competitive rents. This is a supply and demand problem! If you want to incentivize more supply why not lead with an incentive like giving more density to builders that agree to put more affordable units in the proposal, and I didn’t see that there is any forecast of the impact of the proposal on the ultimate availability of affordable housing over the next 10 or 20 years. Will the mitigations proposed be enough to make the distribution of housing fit the needs of various income families, distributed across the economic development, and environmental impacts. Perhaps you’re already working on or have completed some of this. Leaving full discretion to HOST leaves uncertainty that makes off-site agreements unfeasible. I understand this strategy has not been utilized to date in Denver but there is real potential to maximize the number of affordable units this way.

We are currently working on a scalable affordability strategy here in Denver and this is one of the strategies we would like to utilize. By building units offsite for a primary developer and receiving the proposed linkage fee or fee-in-lieu we can effectively double the number of the AMI units that would otherwise be built. Non-profit or affordable developers often have better efficiencies, tailored financing, and partnerships, and we are doing this to make this possible.

Denver needs more affordable housing units for very low income families and moderate income families. I hope these affordable housing units include 30% AMI. I feel that the fee-in-lieu should not be offered at all or the fees have to be prohibitive. I fear that the multimillion dollar developments would find this an Not sure how much it will help to add additional costs to construction of new housing when we already have a shortage of housing. We need Affordable Housing (income restricted, subsidized) yes, but we also need the market rate housing to stop going up in price so dramatically. I don't stop that, more and more of us will require Affordable Housing because we can no longer afford housing at market rates. We'll never be able to keep up with the increasing demand for Affordable Housing if the market prices keep going up and up and up. I'd like to see policies that make it easier to build more housing in the city, multi-family housing, in all neighborhoods. We need flexibility in our zoning that allows more housing to be built as there is demand, and it's clear that there is a lot of demand. Instead of trying to get someone else to (hopefully) build the Affordable Housing we need, why don’t we allow housing to be built to keep up with demand, then use property tax revenue to build the Affordable Housing we need. Why should only new development pay for the public needs we have? We should all pay our share to support our neighbors who need assistance. All I see happening with further restrictions and costs added to new construction is less construction happening, fewer new homes built, and market prices continuing to rise. Let’s allow more housing to be built, to keep up with demand and keep market prices in check. Then we‘ll have a strong tax base to provide the services I think the City of Denver needs to stop with the obsession with “affordable housing.” How about open spaces, mature trees, and unpolluted air? How about walkable neighborhoods instead of crammed multiple households in a single lot with cars? How about a tree canopy in every neighborhood instead of covering every foot of the lot with housing and concrete? Every city has its limits and Denver is past its ability to support more people using more water, polluting the air, increasing the density in formerly affordable single family housing neighborhoods, and clogging the roads. Trying to artificially manage housing costs just results in connected and wealthy people gaming the system. Let the market set housing costs and people can afford to live more water, polluting the air, increasing the density. I think the City of Denver needs to stop with the obsession with “affordable housing.” How about open spaces, mature trees, and unpolluted air? How about walkable neighborhoods instead of crammed multiple households in a single lot with cars? How about a tree canopy in every neighborhood instead of covering every foot of the lot with housing and concrete? Every city has its limits and Denver is past its ability to support more people using more water, polluting the air, increasing the density in formerly affordable single family housing neighborhoods, and clogging the roads. Trying to artificially manage housing costs just results in connected and wealthy people gaming the system. Let the market set housing costs and people can afford to live.

I fear the costs will be passed on to tenants, raising rents and creating only greater demand for affordable housing. Additionally, it does not address the fact that the majority of land area in Denver is zone for single family, so developers and renters are shouldering most of the burden of the whole City’s affordable housing crisis.

Should there also be linkage fees for scrapes, that take an affordable home and replace it with something far more unaffordable? Can this be paired with zoning reform to allow approved designs for duplex up to fourplex in all residential neighborhoods, or on all corner lots? Can this be paired with affordable requirements on market rate projects? I AM VERY CONCERNED ABOUT THE PRE-POST-POLICY IMPACTS OF APARTMENT PROJECTS AS THERE WILL BE A CLEAR VALUE/RENT/DESIRABILITY? DISTINCTION BETWEEN THE TWO CATEGORIES. If I'm not mistaken, Denver is past its ability to support more people using more water, polluting the air, increasing the density. I think the City of Denver needs to stop with the obsession with “affordable housing.” How about open spaces, mature trees, and unpolluted air? How about walkable neighborhoods instead of crammed multiple households in a single lot with cars? How about a tree canopy in every neighborhood instead of covering every foot of the lot with housing and concrete? Every city has its limits and Denver is past its ability to support more people using more water, polluting the air, increasing the density in formerly affordable single family housing neighborhoods, and clogging the roads. Trying to artificially manage housing costs just results in connected and wealthy people gaming the system. Let the market set housing costs and people can afford to live.

I strongly support vigorous work on affordable housing. And I would like to voice strong support for reduced parking requirements and increased density in single family districts. Our roads are weirdly wide in most of the city. How about we create dedicated mixed active transportation lanes while we drastically reduce parking requirements and allow gentle density by right? This would be good not only for housing affordability but also for safety, economic development, and environmental impacts. Perhaps you’re already working on or have completed some of this. Thanks for being so responsive. We are currently looking for a townhouse or house or condo. Our combined income is around the upper limit for low income but our realtor and lender are strongly discouraging us saying the regulations fluctuate and make it difficult to sell, and also they get poor commission.

I also wonder if it would be more effective to hire a construction team directly onto city staff whose job is to take developer tax and build housing that is affordable.
I'm interested to see if the South City Park Neighborhood Association, of which I'm a member, would be willing to endorse any proposal. I am in favor of doing whatever it takes to reduce barriers and costs to building affordable housing. Including removing parking requirements and input from local residents. Making it more accessible not only to single parents, but families struggling to make it. This should also be done with background checks and rules and regulations about keeping properties clean inside/outside, noise ordinance, and guest guidelines.

I know this seems like fudging on the margins, but if Affordable housing should be extended everywhere in Colorado not just primarily in neighborhoods that are already suffering or considered to be low income. Also the hoops that ask paperwork that many have to go through just to be considered is problematic. How long it takes to qualify for affordable housing, for senior citizens, one is disabled and also her son.

It would help keep good, hard working, valuable residents in the homes and neighborhoods they love, and keep more hard-earned pay in working-class homes. Thank you for addressing the housing crisis by creating better public policy. As a registered nurse, I cannot afford to live in Denver. The working class is having a hard time making ends meet. It's also killing the much needed long term rentals. AirBnB not only ruins the character of a neighborhood by putting hotels in residential streets, but it's also killing the much needed long term rentals. Local landlords need that 40% of us needed in our younger years to start out. If you want 10-year-old kids to grow up in the same homes, you need older, long-term rentals.

With home values surging, managing property tax payments is more and more challenging. Hard working people, and many retired workers, risk being priced out of the homes they already own. Please consider freezing property tax rates for folks who are longtime homeowners. For example, if residents have owned their homes since 2015 or earlier, then freeze their property value assessments at the assessed 2015 levels for the next 10 years. These have owned their homes since 2015 or earlier, then freeze their property value assessments at the assessed 2015 levels for the next 10 years. This would help keep good, hard working, valuable residents in the homes and neighborhoods they love, and keep more hard-earned pay in working-class homes.

I am appalled that the project will only require building at the 60-80% AMI level. What we really need is more housing for people who make less than 50% AMI. At the 80% AMI level there are already 94 available units for every 100 renters, but below 50% AMI, there are only 49 units for every 100.

I am a resident of Berkeley, in Council District 9, and am writing to support your Affordable Housing proposal. I think this is a very important issue in Denver and this is a reasonable and well-thought-out approach. I support a project to expand housing affordability in Denver, and I am concerned that the proposal considered does not go far enough. The large number of people experiencing homelessness and those in low-wage jobs are not able to benefit from the proposal as written. A recent study found that for every 100 renters, there are only 30 units available for every 100 renters (households) in the City. Even at 30% of AMI, I would be a resident in northwest Denver (district 1) and I am highly in favor of this project. Denver’s housing crisis can only be addressed by forcing rampaging developers to provide affordable housing, and this project is one strong step in the right direction. Please keep the pressure on developers to make it more accessible not only to single parents, but families struggling to make it. This should also be done with background checks and rules and regulations about keeping properties clean, noise ordinance, and guest guidelines.

I am concerned that the policy document mentions transportation only twice. Shouldn't housing strategies be based on integrated transportation and housing? I'm not just target of affordable housing but I'm very supportive. I live in a 4 person family with one car and I don't really drive. That's just my lens and anecdotal, but I'd like to make sure assumptions about car ownership, need, and preferences are challenged and that housing is based on access to a mobility grid that doesn't prioritize cars (in fact, it must actively de-prioritize them for people to safely and comfortably use other options). I recognize you're probably trying to be targeted and you don't want to trigger a backlash. But I see one of your three principles is a market-based approach. Since government is the "first investor" and sets the stage, this comment is meant to make sure that stage is laid in a way that leads to fiscally love the details of the proposal as written (what AMI it covers, the linkage fees, the incentives, starting at dev's of 8 units) but I'm starting to get concerned about the window for SDP review after this ordinance would be adopted by council. I think it should be a shorter window for folks getting their final SDP approved, just because the number of new, tall buildings going up around the city is incredible, and I worry we'd lose out on the maximum number of affordable units this cycle can produce if implementation is too generous to the developer. I know this seems like fudging on the margins, but if affordable housing should be extended everywhere in Colorado not just primarily in neighborhoods that are already suffering or considered to be low income. Also the hoops that ask paperwork that many have to go through just to be considered is problematic. How long it takes to qualify for affordable housing, for senior citizens, one is disabled and also her son.

WHOM takes priority in the waiting list. In the City of Denver, one opens a affordable housing building, some times for the same place are over 3,000 applicants. With many American Citizens displaced from what was their resource source. How can it be housing cannot be accessible and affordable? Supply and demand can not apply in times Americans are experiencing. Have we lost our ability to think and come together as a nation to get through this time with the financial crisis and being able to live. Investors are buying up properties and turning them into AirBnB's which take away affordable housing options for people who actually live here every day. A home or part of a home that may have rented for $1500/month for a long term local resident, now on Airbnb one can rent that night for $200/night as a short term rental for visitors out of state and take away housing for locals. I think this is a huge problem mountain communities are noticing now, locals can't afford to live there anymore because of the greedy short term rental market. AirBnB not only ruins the character of a neighborhood by putting hotels in residential streets, but it's also killing the much needed long term rentals. Local landlords need that 40% of us needed in our younger years to start out. If you want 10-year-old kids to grow up in the same homes, you need older, long-term rentals.

Expanding Affordable Housing is great BUT affordable housing is NOT affordable in Colorado. It would be a great opportunity to consider the average joe makes an hour. My patients cannot afford a one bedroom for $1500 per month when they ONLY make $15 per hour. And now landlords want to turn long term rentals into AirBnB's which take away affordable housing options for people who actually live here every day. A home or part of a home that may have rented for $1500/month for a long term local resident, now on Airbnb one can rent that night for $200/night as a short term rental for visitors out of state and take away housing for locals. I think this is a huge problem mountain communities are noticing now, locals can't afford to live there anymore because of the greedy short term rental market. AirBnB not only ruins the character of a neighborhood by putting hotels in residential streets, but it's also killing the much needed long term rentals. Local landlords need that 40% of us needed in our younger years to start out. If you want 10-year-old kids to grow up in the same homes, you need older, long-term rentals.

Building off of Alamada? It's a great opportunity to consider the average joe makes an hour. My patients cannot afford a one bedroom for $1500 per month when they ONLY make $15 per hour. And now landlords want to turn long term rentals into AirBnB's which take away affordable housing options for people who actually live here every day. A home or part of a home that may have rented for $1500/month for a long term local resident, now on Airbnb one can rent that night for $200/night as a short term rental for visitors out of state and take away housing for locals. I think this is a huge problem mountain communities are noticing now, locals can't afford to live there anymore because of the greedy short term rental market. AirBnB not only ruins the character of a neighborhood by putting hotels in residential streets, but it's also killing the much needed long term rentals. Local landlords need that 40% of us needed in our younger years to start out. If you want 10-year-old kids to grow up in the same homes, you need older, long-term rentals.

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Making new development more expensive will only exacerbate our housing affordability issue. Create higher & denser zoning, remove barriers to new construction, make it easier & faster to move a new housing project through planning/building dept. Do everything you can to make it as easy as possible for developers to build new projects! They will build, rents & prices will come down into equilibrium and we’ll get past the housing affordability crisis. And add at least 3-5 more stories available to build to every zoning area & remove all single-family zoning districts in Denver. It's Common-Sense,Basic Economics.

I endorse the plan for affordable housing. Looks like a good start but just scratches the surface of the problem. Appreciate the research and evidence-based decision making regarding the various "in/lieu" options but ultimately it shouldn’t be a choice for developers to not build some an even higher number of affordable units. Funding for support services ideally would come from somewhere else and builders can learn to be responsible corporate citizens.

This project completely misses the mark for NEST neighborhoods, and there should be a higher threshold of affordable units required in neighborhoods that are at risk of displacement. 60-80% Thresholds are above what those in East Colfax can afford...so bringing this program will be a net displacement of our community. This is not a bold solution, it is a solidification of the status quo. In meetings with the City pre this proposal CPD mentioned that they consider it a win when we can get 15% affordability and now this extremely low threshold is being touted as a victory. Saying this is acceptable if saying that it is ok for 85% of our neighborhood to be displaced. We need to have bolder policies that create higher requirements in NEST neighborhoods. The committee that formed these recommendations was in no way equitable, and there was not adequate representation of groups in NEST neighborhoods who are supporting community making less than 30-50% AMI. We are taking what is a real opportunity to create bold inclusionary housing policies to meet the crisis in affordable housing in Denver and squandering it...and passing a policy such as this that treats NEST Neighborhoods as equals to Hello, we wanted to bring forward the perspective of a small developer as we feel the math implied by the current draft disproportionately adversely impacts small local developers in favor of large developers, which we do not believe is the intent of the legislation. We support increasing affordable housing available in Denver; our hope is only to compete at least on a level playing field with better capitalized competitors so we can keep small projects economic.

We have two main thoughts that we wanted to highlight:

• Rounding Hurts Small Local Developers-In the last draft covenanted units kick in at a variety of levels (for for-sale: 10% or 15% (8%+7%) in "typical" markets/ 12% or 18% (9%+9%) in "high cost" markets, and then for renters 8% or 12% (6%+6%) in "typical" markets/ 10% or 15% (8%+7%) in "High Cost" markets). As small developers, typically developing in the range of 7-18 units, which this legislation as written is intended to apply. As you’ll see applying these thresholds will typically require us to do some rounding-which I believe in our last discussion implies us needing to round up. If we are building 7 units and 10% is to be affordable, we’d have to make 1 unit in 7 affordable, which would actually place a 14% affordability requirement on us-40% more. As you’ll see applying these % to small number of units disadvantage us at every level contemplated.

o We highlight this because as you know as small developers we are always facing an uphill battle versus larger, better capitalized competitors. We wanted to highlight that the legislation seems to further disadvantage the little guys versus bigger developers who can build to a number of units which allow them to naturally meet the requirement without rounding.

• Historic Districts- If you were to pull the SDP map for Denver and overlay the historic districts, you would see that there is a dearth of development that occurs in them. We’re one of the few groups that endeavor to take on those projects. Apart from the added burden of having to work through the landmark process which adds time and cost to projects, in order to meet the building standards we further need to build a product that is materially more expensive. These building costs can be more than 25% more than building in a non-historic area, while exit pricing in these areas is typically not different than properties a few blocks away outside of the historic districts. Often time the only way to make these projects work is to put out a more attractive offer. 1. Mandatory Affordable Housing for New Residential Development - 1 unit. I would like to know what prompted the threshold of 8 units? Most slot homes are 7 units - it would be great to have one of the units in each slot home project dedicated to affordable housing to try to address economic diversity within neighborhoods.

2. Do the proposed options improve economic diversification within neighborhoods? If so, how?

Wenting is a big problem in Denver that needs to be addressed. There should be more options for living in Denver. Not just the same older neighborhoods. We wanted to highlight that the legislation seems to further disadvantage the little guys versus bigger developers who can build to a number of units which allow them to naturally meet the requirement without rounding.
The program design to have affordable homes inclusively incorporated in all developments across the city is, we think, great. The idea of having income restricted unit creation should match the need not the easiest to afford and politically accept.

More broadly, the Expanding Housing Affordability document does nail down the city's responsibility to assure housing for all. It begins with a background for both the city's achievements and its failures of the last 10 or so years. Most importantly, it offers a projection for the whole spectrum of housing needs, by income, the city will face over the next 20 years. Sadly, even disgracefully, it says that 10,500 homes accessible to families in the $60,000 and under income level (the poorest and most vulnerable of our neighbors) have disappeared, a result of age, neglect and gentrification. That critical housing loss has forced those with the least out of Denver, or left to live on their own on the streets.

The richest households with incomes of $100,000 income or more have increased the most, adding about 45,000 new households. These are the people who have been attracted to Denver and are filling the highest income jobs in Denver, gentrifying neighborhoods and raising overall housing prices, making neighborhood housing less affordable for the rest.

Happily, the EHA is aimed at reversing that housing loss, providing assistance to housing directed to mid-level families between these two, with incomes between $64,000 (50% AMI) and $80,000 (80%), the so-called workforce groups.

The EHA document says that the need for rental housing over the 20 years going forward is as follows (but somehow omits support for the 12,000 units serving families earning below 50% of average median income (AMI): 2,500 units for families at 51 - 60 AMI 4,500 units for families at 61 - 80 AMI 7,000 units for families at 81 - 120 AMI 9,500 units for families at 121 AMI and above

The EHA program is aimed at that middle group of 7,000 families in the 51 - 80 AMI incomes.

We are so glad to see the projects the city has been undertaking in the last months to address these issues. The Expanding Housing Affordability initiative seems to offer a substantial step forward in providing critical housing that is affordable to lower-income working-class people. The HOST 2022 Action Plan includes an encouraging approach to providing a fast response to needed housing using Safe Outdoor Spaces and Tiny Home Villages. We applaud the city agencies who are cooperating in these projects, we're proud our city is moving in a positive responsive way to meet the needs for accessible homes -- with four walls, a door that can be locked, a window for light and air -- a place to be safe and secure.

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On behalf of Mile High Connects (MHC), a broad partnership of nonprofits, community organizers, philanthropic organizations, and private and public sector partners working to advance racial equity and prioritize equitable investment into community driven solutions, we are writing to commend the City and County of Denver for its ongoing work and commitment to creating new, mixed-income communities within reach for those that need it the most.

The Expanding Housing Affordability (EHA) proposed policy is a critical step to provide housing opportunity and stability for Denver residents, particularly those that continue to be disproportionately impacted by lack of housing affordability and displacement. This moment is an opportunity to institutionalize policy shifts that will enhance the long-term impact of housing affordability and accessibility.

MHC recognizes that this policy is just one piece of a larger housing strategy to create and preserve affordable housing. We greatly appreciate the following components listed in the EHA proposed policy:

- The City and County’s acknowledgement of the cost burden of housing and that new housing tends to only serve higher income households.
- Creation of a mandatory affordable housing requirement sets a precedent that affordable and mixed-income developments are crucial for a more equitable and inclusive Denver.
- Requirement of developer-built affordable units to remain affordable for 99 years is an effective way to ensure longer-term affordability.
- Increased incentives around development of affordable housing, including waiving of municipal fees for developers.
- Inclusion of additional financial and zoning incentives for projects that create all-affordable developments, not solely the minimum percentage.

Nevertheless, MHC believes that further measures should be addressed within the policy to ensure that it meets the needs of those who are most disproportionately impacted by Denver’s housing environment and provides deeper opportunities for equitable investment and programs within our most vulnerable neighborhoods.

As MHC, we urge you to consider the following recommendations that seek to create a more equitable process and outcome for new, affordable housing developments in Denver:

1. Prioritize Disproportionately Impacted Communities and Center Racial Equity: For too long Black, Brown, Indigenous, and People of Color (BIPOC), low-income, immigrant and refugee communities have received the brunt of lack of affordable housing, gentrification, and displacement. While the proposed policy focuses on providing housing options for those with lower average median income levels, it fails to provide explicit measures for community benefit and does not emphasize the need to center racial equity. To prioritize community benefit and advance racial equity, the policy should result in the creation and implementation of a Racial Equity Scorecard to assess the community impact of new developments prior to a project’s approval. Assessment criteria should be vetted by community and address community-voiced needs and priorities. Furthermore, the City and County of Denver should increase opportunities for community engagement and outreach to identify housing disparities among community. Continued data collection and analysis should be prioritized.

2. Ensure Access and Simple Application Process: Please ensure the application and each step of the process to apply is simple and accessible for all our community members.

Please select if you are submitting a question or a comment: male, female
What is your gender?: male
How old are you?: 19-34
What is your race or ethnicity?: Black or African American
Do you rent or own your home?: Rent
Please estimate your total household income, before taxes, in the last 12 months: $50,000 - $99,000
Dear Ms. Hock, Mr. Weinig and Members of the EHA Advisory Committee,

I am writing to share our thoughts, concerns and feedback regarding the City and County of Denver’s proposal for mandatory affordable housing requirements.

These comments are being provided on behalf of the Home Builders Association (HBA) of Metro Denver. The HBA of Metro Denver represents nearly 500 homebuilders, developers, remodelers, architects, subcontractors, suppliers and service providers in the eight metro-area counties we serve.

In Denver, the HBA represents 17 different builders with over 600 registered permits just this year.

Our members have taken considerable time to meet with City staff and officials and review the proposed mandatory affordable housing policy released by the City. These comments are focused on the types of homes our members create, which are primarily for-sale, attached, duplex and single-family homes for families and others.

Our concerns fall into the following categories:

(1) The negative impacts to overall housing affordability and supply caused by shifting higher costs onto newly developed market rate units.

(2) The disincentive to build for-sale units due to new ownership units having higher percentages of required affordable units. This disincentive is exacerbated by Colorado’s construction defect laws.

(3) The lack of meaningful incentives and/or trade-offs to help create much needed “missing middle” for-sale housing units in the ranges of 80-120% AMI and beyond.

Background:

It should be noted that the housing affordability crisis is due to a severe shortage of units and is reaching a breaking point in many markets across Colorado – including the City of Denver. May 2021 set a record-low number of listings in the Denver Metro Area at just 2,075 compared to the monthly average of 15,563. The 12-month increase in the price of the average single-family detached home sold grew by 29%, and the price of the average condominium grew by almost 12%. However, this is not a new problem in Colorado.

The average annual number of new homes built every year in Colorado since the 2008 financial crisis is 46% lower than the annual average in the eight years leading up to the recession. If Colorado were to return to the average housing population ratio between 1986 and 2008, it would require an additional 175,000 housing units across the state today. To close that gap and meet future population needs, Colorado will need to develop 54,190 new

12/28/2021 8:34 AM
As a real estate developer who strongly believes in the need for more housing affordability in Denver, we are very appreciative of your work on creating a new approach to increasing the number of affordable units in Denver. The increasing lack of housing affordability in Denver is one of the greatest threats to our economy.

The Expanding Housing Affordability approach as laid out in the October 1 draft falls short of the HB21-1117 desire to promote the construction of new affordable housing units. It also shows little commitment to increase the overall density and number of housing units in the City of Denver. The proposed incentives provided for the construction of affordable housing units are too small to create a market-based tool for the increase of affordable housing units in mixed-income developments.

These issues are exacerbated in the FAR districts and especially in Golden Triangle that recently went through a rezoning. The projects we are working on under the current zoning will not be possible in this new EHA approach.

Specific comments:
- The staff recommended linkage fee change to incentivize smaller unit sizes may have the unintended and undesired consequence of even fewer multi-bedroom units. The market is already overbuilding studio and 1-bedroom units – there is a large need for more family housing.
- Commercial space especially in downtown, a high-cost market has seen a major hit from the pandemic. Placing a larger price per sf on commercial space in high-cost markets will only serve to lower the supply of space in the very areas where we want and need commercial space.
- Placing a higher burden on high-cost markets will only serve to put high-cost areas out of reach to moderate incomes. I agree on the high desire for more affordability in the high-cost areas so consider raising AMI levels along with raising the number of units or simply do not treat them differently. If you create too high a burden, we will see fewer not more units in the places where we want to see more housing and more housing affordability.
- Small grammatical error: throughout the document the word “cities” is used when “City’s” is meant with a capital C and apostrophe s.
- Based on your fee-in-lieu development costs estimates, you agree that it costs more to build in high-cost areas. This is why we think it is not prudent to again increase the burden on housing construction in high-cost areas as this will only serve to continue and exacerbate the housing prices in these areas and pushing up the rents out of reach beyond the reach of even high-income renters. High costs areas in our represent some of the most livable places and the closest we have to the “15-minute city” in Denver. This proposal places a larger tax (fee) on housing therefore disincentivizes housing construction there. Instead, greater incentives should be created for all high-cost areas.
- Consider providing incentives for commercial space too so as not repeat the over-emphasis of residential incentives in the 1994 Golden Triangle Zoning.
- Limiting building permit fee reduction to only the 60% AMI units and only up to 50% of the fee will have no impact on the proforma decisions and therefore will not function as a market incentive. Greater incentives are needed for a market based tool to encourage affordable housing construction.
- AHRT fast review should be available to all projects building units on site.
- Height incentives should have at lease a 50% increase at all levels. Why is the incentive less for 12 and 16 story districts?

- The burden to achieve the enhanced benefits is far too great to achieve and the incentives are not strong enough to overcome the costs especially in what is considered affordable housing here in Colorado?

AND HOW DOES A LIFETIME RESIDENT OF COLORADO get housing since it costs 3 X's what the government is paying for disability?
Enterprise Community Partners appreciates the opportunity to share feedback on the Expanding Housing Affordability (EHA) project proposed policy approach published October 1, 2021. I was pleased to have been an active member of Advisory Committee that was integral to creating the draft proposal; we value the thoughtful, evidence-driven process of the Committee, Community Planning and Development (CPD), the Department of Housing Stability (HOST), and Root Policy Research.

Enterprise fundamentally supports the EHA proposal. It is critical for the City to enact such market-driven policies to further the production of much-needed affordable housing. Based on the extensive research and justifications assembled by Root Policy Research and CPD, we back the proposal as a logical and realistic way forward that has the potential to meaningfully advance the availability of desperately needed affordable homes throughout Denver.

At the same time, Enterprise hears and agrees with community concerns that the EHA proposal should go further to help prevent involuntary displacement and should include clearer guidelines for the City’s capacity to negotiate alternatives to the standard mandatory housing requirements. We urge CPD and HOST to proactively address these areas of concern before moving to finalize the policy.

The EHA policy should more directly serve Denver’s neighborhoods that are particularly prone to involuntary displacement. Specifically, we urge:

• Directing linkage fee revenue to the development of affordable units in these geographic areas and providing for a process for meaningful community input for projects funded through this mechanism.

• Increasing the fees associated with development of single-family homes larger than 1,400 square feet to partially offset the impact that scrape-offs and development of large homes have on affordability, causing displacement of long-time residents and contributing to increasing home prices.

• Intentionally advancing this policy in tandem with HOST’s forthcoming housing prioritization policy to ensure those who have experienced or are at greatest risk of displacement benefit from production enabled by the EHA proposal.

The EHA policy should also articulate guidelines on when and to what community benefit the City will negotiate alternatives. We understand there are and will continue to be instances in which the City’s ability to negotiate with a developer will allow for creative outcomes benefiting unique communities, and appreciate the examples detailed in the draft proposal. However, we urge greater detail be provided, particularly on the HOST Executive Director’s ability to negotiate discretionary agreements. The final policy should include clearer parameters on when HOST would deem such negotiations appropriate and what types of outcomes would be desirable, as well as offer ways for community to be involved in those determinations. Doing so would help ensure CPD and HOST’s intent for negotiated alternatives long-term, as well as promote community accountability and the adoption of community-
In our experience as Denver Housing Authority Residents, VOICE is oftentimes, negated in early stages of "equitable planning for our best interest." Especially with ongoing changes in: Program and Housing Redevelopment, staff shortages, covid-19, budget cuts; due government election shifts etc, we find ourselves, more than mere "spectators," once again.

As past current, and projected Housing Re development builds, our resident councils have been silenced. This can often feel powerless, and even censored.

The question in regard to input, how many DHA residents have been involved in the quitable plan that addresses housing needs and families with low moderate income(s)?

We have been involved in resident council, community organizing, and ongoing grassroots advocacy. Our mission as United families organization has been in the long-term vision of upward mobility and homeownership. In 20 years of research and personal experience, we need to continue to engineer the communication, inclusivity, and paradigm shift. Specifically, DHA residents should be valued as stakeholders. Our greatest barrier as public housing residents is not only "affordable" housing, rather affordable home ownership. The paradox simply remains: Denver rites cannot afford the cost of living. Consequently, there is no such thing as affordable housing.

With all the melee around Thanksgiving Christmas and New years... In addition to the ongoing spread of the new Omicron Delta and Corona covid-19 virus(es)/ pandemic, here are a few proposed ideas for community input regarding our future and the future of our families. It should be noted that we have provided this input within a one month window.

1. Include the voice of stakeholders in the initial stage of your planning process. How many members of your committee are people that this proposal is directly going to impact ?

2. How did you outreach to these stakeholders? Open up the window of opportunity for input. You should not conduct a deadline that limits low income families the opportunity to respond. This can be perceived as disenfranchisement. As a DHA residents we became aware of this proposal Mid-November. If 14 months is the average timeline right now to get an SDP, and there are going to be a lot of SDP's submitted prior to the new legislation (more than the current average), then it will likely be difficult to keep that timeline. I think the City of Denver should consider a 20 month timeline so that projects don't delay indefinitely, but aren't penalized because they have a difficult project, difficult reviewers, or because SDP review timelines increase. It still puts an end date on having an approved SDP that doesn't allow a developer to drag their feet indefinitely, but allows for a reasonable amount of time for projects to complete their SDP regardless of the specific project issues/review timelines.

It would likely cause less disruption to development in the City if the affordable housing could be phased in so that the hit didn’t come all at once and land sellers had more time to adjust what they now accept for a land value. Like 5%, 8%, then 10%.

Potential unintended consequences:
- Has the City looked into the impact that this will have on the ability to convert a project to condominiums? Very few condominiums have been built in Denver in the last decade as compared to apartments. A major way to create more long-term affordable housing for people (so they wouldn’t be subject to annual rent increases etc.) would be home owners ship. Condos often homes at lower price points than are often otherwise available in the market, and condominium conversions even more so. Hopefully this legislation doesn’t impact the ability to do this in the future.
- It is likely that there is not enough differentiation between the affordable housing requirements in different areas of Denver, based on the rents in those areas and that hard and soft costs (except land) are equal no matter where you build. The approximate cost per unit with today’s rent for affordable housing is $18,000 - $24,000 in land cost for a high market and $18,000 – $9,500 for a typical market (based on a yield analysis for current properties under construction from 3 story to a mid-size tower). So, while I would hope that land prices fall up to make for the cost of affordable housing, it will probably not make sense for sellers in already low rent areas to sell their land for a price that makes sense for a developer given the cost per unit cost. This could hamper Denver’s ability to have more dispersed development around the city vs. just in certain areas with proven rents. This could be true for Downtown Denver areas like Arapahoe Square where sellers aren’t going to be willing to take the lower land value in a sale. Overall, with the population growth in the City, and lack of new single family product for sale, the more apartments you can build the better, and inflexible affordable housing could inhibit growth in areas with lower/unproven rents.
- If one of the goals of this project is to help create mixed income housing, then why are we allowing there to be exceptions made if the developer builds affordable housing somewhere else in the city?

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We want to hear from you. General questions or comments about the Expanding Housing Affordability project can be shared in the text box below.

To: Whom It May Concern
From: United Families
Date: December 29, 2021

We want to hear from you. General questions or comments about the Expanding Housing Affordability project can be shared in the text box below.

ATTN: Ms. Amanda Sandoval, District 1 Council Representative

We want to hear from you. General questions or comments about the Expanding Housing Affordability project can be shared in the text box below.

Please select if you are submitting a question or a comment. What is your gender? Please select your race or ethnicity? How old are you? Please select how you own your home?

Please estimate your total household income, before taxes, in the last 12 months.

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