

**BY AUTHORITY**

ORDINANCE NO. \_\_\_\_\_  
SERIES OF 2024  
**AMENDED 8-12-2024**

COUNCIL BILL NO. 24-0972  
COMMITTEE OF REFERENCE:  
Safety, Housing & Homelessness

**A BILL**

**For an ordinance referring a question to the ballot to increase the sales and use tax by a rate of 0.50 percent and dedicating the revenue derived from the tax rate increase to fund affordable housing and related housing support services citywide subject to the approval of the voters at a special municipal election to be conducted in coordination with the state general election on November 5, 2024.**

**BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:**

**Section 1.** Subject to voter approval as specified in Section 7 of this ordinance, Account Number 97000/282110 of the Fund Plan, Section 20-18, D.R.M.C., concerning unapportioned sales, use and lodger’s tax, is amended by the addition of a new subsection (o), to read as follows (with existing subsections (o) and (p) being re-designated as subsections (p) and (q)):

**Sec. 20-18. – Fund Plan**

*Account No. 97000/282110*

*Name of account:* Unapportioned sales, use and lodger’s tax

*Source of funds:* City retail sales taxes, city use taxes and city lodger’s taxes that have been collected, returned, and await apportionment.

*Disposition of funds:*

o. Monthly, allocation apportionment and transfer of only those revenues raised at the rate of fifty hundredths (0.50) percent of gross taxable sales from sales and use taxes levied to the Affordable Denver Fund in the General Government Special Revenue Fund.

**Section 2.** Subject to the approval of the voters as specified in Section 7 of this ordinance, Section 53-56, D.R.M.C., concerning sales taxes is amended by the addition of a

1 new subsection (n) to read as follows:

2 **Sec. 53-56. - Retailers to collect tax.**

3 (n) Sales tax increment to fund Affordable Denver Fund. In addition to the sales tax  
4 otherwise imposed by this section, a tax of fifty one-hundredths of one percent (.50%) must  
5 be paid on all taxable sales of commodities or services, except on commodities or services  
6 specified in subsection (b) of this section, beginning January 1, 2025.

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8 **Section 3.** Subject to the approval of the voters as provided in Section 7 of this  
9 Ordinance, subsection (a) of section 53-57, D.R.M.C., concerning collection of sales is  
10 amended by adding the language underlined and deleting the language stricken, to read as  
11 follows:

12 **Sec. 53-57. Retailer responsible for payment of tax.**

13 (a) *Amount.* Every retailer shall, irrespective of other provisions of this article, be  
14 liable and responsible for the payment of an amount equivalent to ~~four and eighty-one one-~~  
15 ~~hundredths (4.81) percent~~ five and thirty-one one-hundredths (5.31) percent of the retailer's  
16 taxable sales of tangible personal property, products, or services specified in this article,  
17 except:

18 (1) Aviation and railway fuel, as to which the rate of four cents (\$0.04) for each  
19 gallon purchased shall apply;

20 (2) Automotive vehicles when they are for any term of thirty (30) days or less hired  
21 for use, rented, leased or transferred under a grant of a license to use, as to which a rate of  
22 taxation as set forth in subsection 53-56(b)(2) shall apply;

23 (3) Food and beverages not exempted from taxation under subsection 53-55(a)(8)  
24 of this article, as to which the rate of four (4) percent shall apply;

25 (4) For each of which respective rates aforesaid the retailer shall be liable for an  
26 equivalent amount;

27 (5) Every retailer shall, on its return, round each calculation, as directed on such  
28 form as the manager may require, to the nearest whole dollar and remit the rounded amount.  
29 In rounding under this section, any amount of forty-nine cents (\$0.49) or less shall be rounded  
30 down, and any amount of fifty cents (\$0.50) or higher shall be rounded up.

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32 **Section 4.** Subject to the approval of the voters as provided in Section 7 of this  
33 ordinance, Section 53-106, D.R.M.C., concerning use taxes is amended by the addition of a  
34 new subsection (r) to read as follows:

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**Sec. 53-106. - Retailers to collect tax.**

(r) *Use tax increment to fund the Affordable Denver Fund.* In addition to the use tax otherwise imposed by this section, a tax of one-half of one percent (.50%) must be paid on all taxable uses, consumptions, distributions, and storages of commodities and services, except on commodities and services specified in subsection (b) of this section, beginning January 1, 2025.

**Section 5.** Subject to the approval of the voters as provided in Section 7 of this ordinance, subsection (a) of section 53-107, D.R.M.C., concerning collection of use taxes, is amended by the addition of the language underlined and the deletion of the language stricken, to read as follows:

**Sec.53-107. Retailer responsible for payment of tax.**

(a) *Amount.* Every retailer shall, irrespective of other provisions of this article, be liable and responsible for the payment of an amount equivalent to ~~four and eighty-one one-hundredths (4.81) percent~~ five and thirty-one one-hundredths (5.31) percent of taxable sales made by him of tangible personal property, products, and services, except:

- (1) Aviation and railway fuel, as to which the rate of four cents (\$0.04) for each gallon purchased shall apply;
- (2) Automotive vehicles when they are for any term of thirty (30) days or less hired for use, rented, leased or transferred under a grant of a license to use, as to which a rate of taxation as set forth in subsection 53-98(b)(2) shall apply;
- (3) Food and beverages not exempted from taxation under subsection 53-26(8) of the city retail sales tax article, as to which the rate of four (4) percent shall apply;
- (4) For each of which respective rates aforesaid the retailer shall be liable for an equivalent amount; and
- (5) Every retailer shall, on its return, round each calculation, as directed on such form as the manager may require, to the nearest whole dollar and remit the rounded amount. In rounding under this section, any amount of forty-nine cents (\$0.49) or less shall be rounded down, and any amount of fifty cents (\$0.50) or higher shall be rounded up.

**Section 6.** Subject to the approval of voters as provided in Section 7 of this ordinance, Chapter 27, Article V, Division 4, D.R.M.C. concerning dedicated funding for affordable housing repealed and re-enacted to read as follows:

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2 **DIVISION 4. – AFFORDABLE DENVER FUND.**

3 **Sec. 27-170. – Legislative Intent.**

4 (a) The City Council finds, determines, and declares:

5 (1) According to the 2024 Regional Housing Needs Assessment conducted by the  
6 Denver Regional Council of Governments (“DRCOG”), Denver has not produced enough  
7 housing to keep pace with population and job growth, with an anticipated gap of 44,000 units  
8 under 100% of area median income (“AMI”) in the next 10 years. The study also found that a  
9 lack of dedicated funding and financing tools inhibits Denver’s ability to meet this demand of  
10 affordable housing;

11 (2) A 2019 study conducted by Root Policy Research found a nearly 50,000 unit  
12 shortage of affordable housing in Denver, with most need at 60% of AMI or below. The same  
13 study found that only 7% of the overall housing stock in Denver is income-restricted, falling  
14 short of the more than 130,000 households with incomes at or below 80% of AMI who do not  
15 have access to fair market housing;

16 (3) According to the 2023 Point in Time (“PIT”) study by the Metro Denver Homeless  
17 Initiative, there are more than 5,800 people experiencing homelessness on a single night in  
18 Denver, and over 24,000 people experience homelessness in a given year in Denver  
19 according to the region’s Homeless Management Information System (“HMIS”). Data in both  
20 the PIT and HMIS show the high cost of housing as the top cause of homelessness;

21 (4) According to the Denver Housing Market Analysis by Root Policy Research,  
22 between 2010 and 2019, 10,595 low-income households, or 21% of households between 0-  
23 60% of AMI, have been forced to move out of Denver in order to obtain affordable housing,  
24 harming the city’s cultural diversity and economic growth while reducing economic mobility;

25 (5) According to the 2022 U.S. Census Bureau, wages have risen in Denver by  
26 110% since 2000 and the cost of housing has risen 220%, meaning the average Denver  
27 resident’s income no longer keeps pace with their ability to pay a rent or mortgage;

28 (6) According to the 2022 American Community Survey (ACS) data from the U.S.  
29 Census Bureau, more than 50% of Denver’s renter households are housing burdened,  
30 including 80% of all renter households earning less than \$75,000 annually;

31 (7) The COVID-19 pandemic worsened the housing affordability crisis in Denver,  
32 leading to historic eviction rates for households unable to pay rent. In 2023, Denver had over  
33 12,900 eviction actions, when the annual average over the past 15 years was a little over  
34 8,000. More and more households each year are unable to make ends meet due to the high

1 cost of housing;

2 (8) In Denver’s Comprehensive Plan 2040, adopted by Denver City Council in May  
3 2019, there are 3 goals focused on housing affordability in Denver, including building housing  
4 as a continuum to serve residents across a range of incomes, ages, and needs, developing  
5 housing that is affordable to residents of all income levels, and preserving existing affordable  
6 housing. Investment is needed to advance these goals and create an equitable, inclusive city  
7 with a high quality of life for all residents, regardless of income level, race, gender, ability or  
8 age;

9 (9) The Department of Housing Stability’s (HOST) 5-Year Strategic Plan, approved  
10 by City Council in 2021, identifies key areas of investment for housing affordability, including  
11 the creation and preservation of affordable homes, the creation of new units of supportive  
12 housing, the creation of more truly mixed-income housing, increased homeownership, and  
13 expanding rental subsidies to create a healthy, housed, and connected Denver;

14 (10) HOST shall publish AMI levels for households of a given size as established  
15 annually by the U.S. Department of Housing and Urban Development, or its successor  
16 agency;

17 (11) It is the intent of City Council that the monies in this fund will:

18 a. support the goals of Comprehensive Plan 2040 and HOST’s periodic  
19 strategic plans;

20 b. assist in efforts to increase the pace at which the affordable units are  
21 provided to all Denver residents for whom costs have outstripped affordability, while  
22 prioritizing areas of highest demonstrated community need for both rental and  
23 homeownership units and recognizing that public investment is most necessary for those least  
24 able to access market rate housing;

25 c. reduce displacement of renters and homeowners who cannot afford  
26 prevailing housing costs, and those on fixed incomes, promote long-term affordability and  
27 neighborhood stability, and avoid increased concentration of poverty;

28 d. promote equity and remedy historic and structural inequity and  
29 disinvestment and to increase public participation and control over affordable housing assets;

30 e. support exploration of new financing models and the benefits of cross-  
31 subsidization and mixed-income development to catalyze additional affordable housing for  
32 owners and renters; and

33 f. These funds should be spent to benefit all of Denver, including people  
34 with disabilities. Funds should be prioritized for housing compliant with the Americans with

1 Disabilities Act's 2010 Standards for Accessible Design, the Colorado Standards for  
2 Accessible Housing, and the architectural concept of universal design. Specifically, funds  
3 should encourage the construction of Type A dwelling units and focus on Type B dwelling  
4 units, as those terms are defined in the "Accessible and Usable Buildings and Facilities"  
5 standard, or any successor standard, promulgated and amended from time to time by the  
6 international code council. The structure itself should encourage common elements that allow  
7 everyone to access and use the space in a similar manner. Any application for affordable  
8 Denver funds should supersede these state and federal minimums in proportion to the amount  
9 of funds received.

10 g. prioritize sustainable housing, promote community health and  
11 environmental sustainability by promoting sustainable and energy efficient environmental  
12 design that facilitates citywide decarbonization and environmental justice goals, and expand  
13 and enhance access to intentional green spaces and environmental amenities.

14 (12) A dedicated, additional funding source is necessary to increase the supply of  
15 affordable housing for owners and renters, to provide financial and service-related assistance  
16 to owners and renters, and to ensure Denverites can afford to live in the City and County of  
17 Denver long-term.

18 (b) Therefore, the City Council has determined that the question of whether the City  
19 shall be authorized to impose a 0.5% sales and use tax for the purposes and in the manner  
20 set forth in this ordinance should be submitted to the registered electors of the City at the  
21 special municipal election to be conducted in coordination with the state general election on  
22 November 5, 2024.

23 **Sec. 27-171. – Permitted uses of revenue in the Affordable Denver Fund.**

24 (a) Revenue received for the Affordable Denver Fund (the "fund") shall be used to  
25 serve the demonstrated community housing needs for households living at or below one  
26 hundred (100) percent of Denver's Area Median Income (AMI), except as otherwise provided  
27 in part (b) of this section:

28 (1) To increase the long-term supply of affordable housing units or prevent  
29 displacement from an affordable housing unit for renters and homeowners through production,  
30 preservation, financing, acquisition, conversion, subsidies, or any other method; and

31 (2) To provide financial and service-related assistance to renters and other persons  
32 in need of housing;

33 (b) In addition to uses in part (a), the fund may be used:

34 (1) To support homebuyer assistance programs, programs to ensure preservation

1 of housing, programs to reduce housing costs for homeowners, and persons seeking to  
2 purchase homes earning one-hundred twenty (120) percent or less of AMI; and

3 (2) To increase the supply of affordable housing units in innovative mixed-income  
4 projects that may include units affordable to households at higher incomes, provided the  
5 project delivers more low-income affordable units that could not otherwise be created;

6 (c) All housing produced under this fund shall be compliant with long-term  
7 affordability standards.

8 (d) *Cap on administrative costs.* Monies in the fund may be expended to pay the  
9 costs incurred by the city associated directly with the administration of the funds; except that,  
10 in no event may the amount expended from the fund for city administrative expenses in any  
11 year exceed three (3) percent of the amount of revenue received in the fund in that year.

12 (e) *Fund earnings.* Any interest earned on the balance of the fund accrues to the  
13 Fund.

14 (f) *Administration of funds.* The manager of finance shall manage the fund.

15 (g) *Definition of area median income.* As used in this section, the term area median  
16 income shall have the same meaning as provided in section 27-150.

17 (h) *Permanency.* If the monies in the fund are not expended at the end of the fiscal  
18 year, such monies must remain in the fund to be expended in subsequent fiscal years.

19 (i) *Planning.* The department of housing stability, in coordination with the manager  
20 of finance, shall prepare and the housing stability strategic advisors shall take public input on,  
21 review, and make recommendations regarding a first year-plan for use of the funds in 2025.  
22 The plan must expressly reflect the legislative intent in section 27-170(a)(11). In developing  
23 the first-year plan, the manager of finance and the department of finance must develop a  
24 methodology for the distribution of funds according to community need in future years. No  
25 later than January 30, 2025, the first-year plan and a methodology for the selection of fund  
26 uses responsive to community needs assessments to be applied in each future year shall be  
27 submitted separately for City Council approval. Council has sixty (60) days to approve the  
28 first-year plan. Subsequently, intended uses of the fund and a report on how the methodology  
29 for selection of fund uses is being followed and is meeting assessed community needs shall  
30 be included in the Mayor's proposed annual budget and action plans and strategic plans for  
31 city housing expenditures as outlined in section 27-164. The department of housing stability,  
32 in coordination with the manager of finance, may amend the methodology used. The  
33 methodology is subject to annual City Council reauthorization. To the extent available, such  
34 plans shall include proposed expenditures in the manner outlined in subsection (j)(1).

1 (j) *Reporting.*

2 (1) The executive director of the department of housing stability shall incorporate  
3 into annual progress and intermittent reports made pursuant to section 27-164 information  
4 on the number of units produced, preserved, financed, constructed, or otherwise acquired for  
5 supportive and affordable housing, including the income levels for which those units were  
6 produced, how the expenditures addressed the demonstrated community housing needs, and  
7 the number of renters and owners that avoided displacement, due to the monies expended  
8 from the fund. Such reports shall also include information on city control or ownership interest  
9 in affordable housing assets, including any public debt leveraged in whole or in part by such  
10 assets or revenues in the fund, and any other pertinent financial information; and

11 (2) The executive director of the department of housing stability shall produce a  
12 "Denver Housing Needs Assessment Study" (the "Study") and report the findings and any  
13 recommendations to City Council no later than December 31, 2026. The Study shall serve as  
14 guidance for areas with the greatest demonstrated community needs to be targeted under  
15 this section. The study shall be periodically updated as needed.

16 (k) *Review of fund.* The executive director of the department of housing stability  
17 and the manager of finance shall jointly conduct a policy review of the fund created in this  
18 division and report the findings and any recommendations to the city council no later than  
19 January 1, 2028 and every two (2) years thereafter.

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21 **Section 7.** The ballot shall contain the following title and submission clause:

22 SHALL DENVER SALES AND USE TAXES BE INCREASED \$100 MILLION  
23 ANNUALLY, COMMENCING JANUARY 1, 2025, AND BY WHATEVER ADDITIONAL  
24 AMOUNTS ARE RAISED ANNUALLY THEREAFTER, TO EXPAND AND PRESERVE  
25 AFFORDABLE HOUSING FOR LOW- AND MIDDLE-INCOME FAMILIES AND  
26 INDIVIDUALS, THROUGH A ONE-HALF OF ONE PERCENT (0.5%) SALES AND  
27 USE TAX INCREASE (5 CENTS ON A \$10 PURCHASE), TO SUPPORT EFFORTS  
28 INCLUDING:

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- 30 • PROVIDING MORE AFFORDABLE RENTAL HOUSING AND REDUCING
- 31 RENT; AND
- 32
- 33 • PROVIDING MORE AFFORDABLE HOMES FOR PURCHASE AND
- 34 PROGRAMS TO REDUCE THE COST OF BUYING A HOME;
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36 AND MAY A PORTION OF THE ANNUAL REVENUES DERIVED FROM THIS  
37 INCREASE BE SPENT ON ADMINISTRATIVE COSTS FOR THE ABOVE  
38 PURPOSES, AND SHALL THE REVENUE AND EARNINGS ON THIS TAX BE  
39 COLLECTED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE AND AN  
40 EXCEPTION TO THE LIMITS THAT MAY OTHERWISE APPLY UNDER ARTICLE X,

1 SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?  
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3 **Section 8.** The proper officials of the City and County of Denver as are charged with  
4 duties relating to the election shall, before the election, issue such calls, make such  
5 certifications and publications, give such notices, make such appointments, and do all such  
6 other acts and things in connection with the submission of this code amendment to the  
7 registered electors of the City and County of Denver at the election as are required by the  
8 Constitution and laws of the State of Colorado and the Charter and ordinances of the City and  
9 County of Denver.  
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11 **Section 9.** The ballots cast at such election shall be canvassed and the results  
12 ascertained, determined, and certified in accordance with the requirements of the Constitution  
13 and laws of the State of Colorado and the Charter and ordinances of the City and County of  
14 Denver.  
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16 **Section 10.** If any section, paragraph, clause, or other portion of this ordinance is held  
17 to be invalid or unenforceable for any reason, the validity of the remaining portions of this  
18 ordinance shall not be affected.  
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20 COMMITTEE APPROVAL DATE:

21 MAYOR-COUNCIL DATE:

22 PASSED BY THE COUNCIL \_\_\_\_\_

23 \_\_\_\_\_ - PRESIDENT

24 APPROVED: \_\_\_\_\_ - MAYOR \_\_\_\_\_

25 ATTEST: \_\_\_\_\_ - CLERK AND RECORDER,  
26 EX-OFFICIO CLERK OF THE  
27 CITY AND COUNTY OF DENVER  
28

29 NOTICE PUBLISHED IN THE DAILY JOURNAL \_\_\_\_\_; \_\_\_\_\_  
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31 PREPARED BY: Anshul Bagga, Assistant City Attorney;

DATE: July 8, 2024

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33 Pursuant to section 13-9, D.R.M.C., this proposed ordinance has been reviewed by the office  
34 of the City Attorney. We find no irregularity as to form, and have no legal objection to the  
35 proposed ordinance. The proposed ordinance is not submitted to the City Council for approval  
36 pursuant to § 3.2.6 of the Charter.  
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1 Kerry Tipper, Denver City Attorney

2 BY: \_\_\_\_\_, Assistant City Attorney

DATE: \_\_\_\_\_