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# Unlocking Housing Choices

City Council & Planning Board Joint Session

# Agenda

1. Project Update
2. Recent Meeting Recap
3. Preliminary Financial Feasibility Findings



# UHC Goals

## What we're trying to achieve:

### COMPATIBILITY

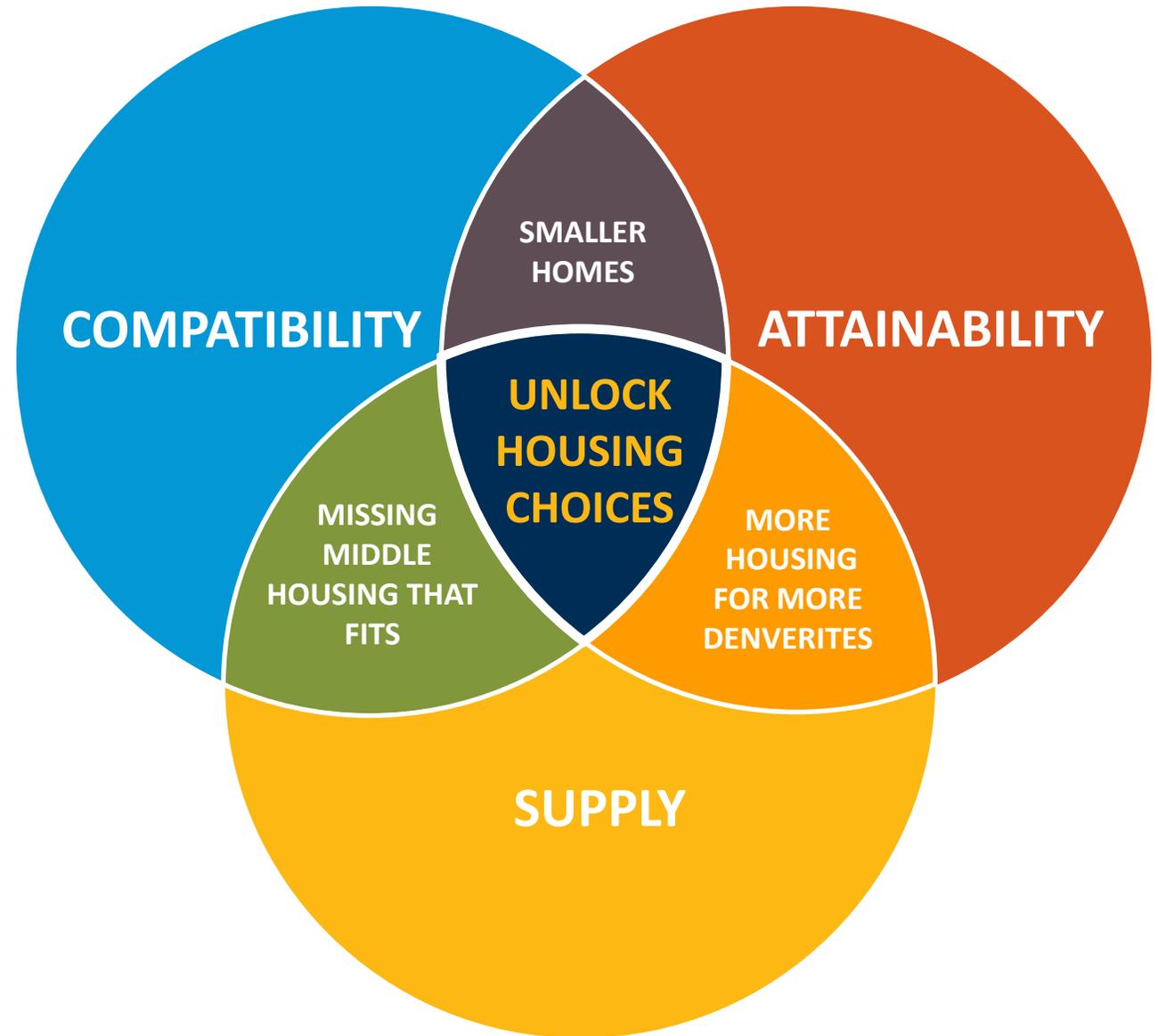
- Achieve better design outcomes.
- Encourage preservation of traditional homes.

### ATTAINABILITY

- Create naturally affordable housing options.
- Allow people to age-in-place and enable multi-generational housing options.

### SUPPLY

- Increase housing supply to meet demand.
- Provide more housing in residential neighborhoods



# Project Timeline

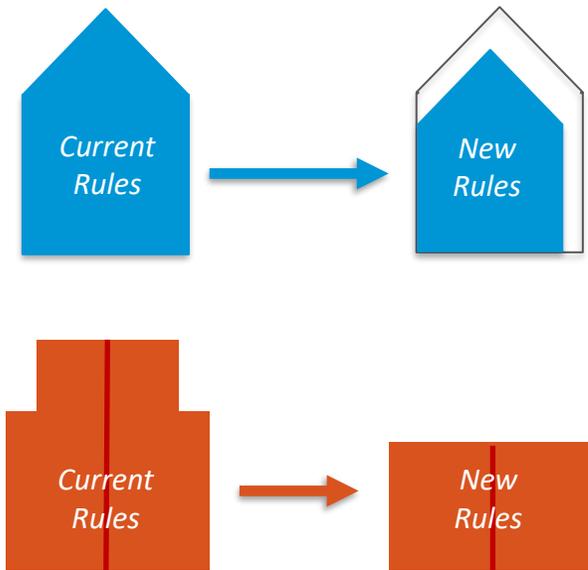
UHC will include 2 phases.

City Council will consider **phase one** strategies at the **end of 2026**.

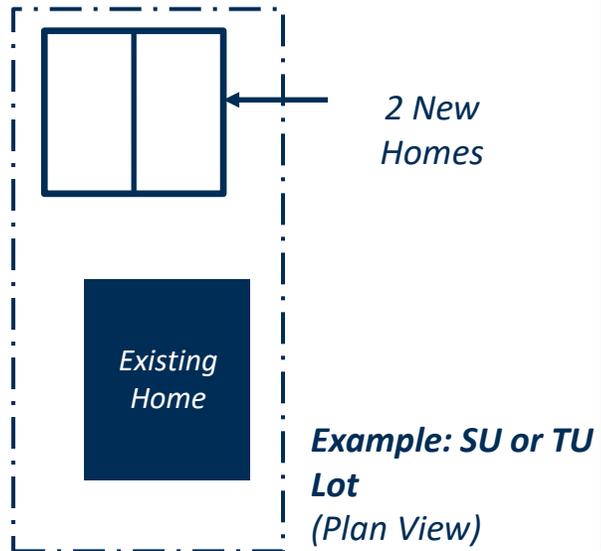


# Phase I Strategies

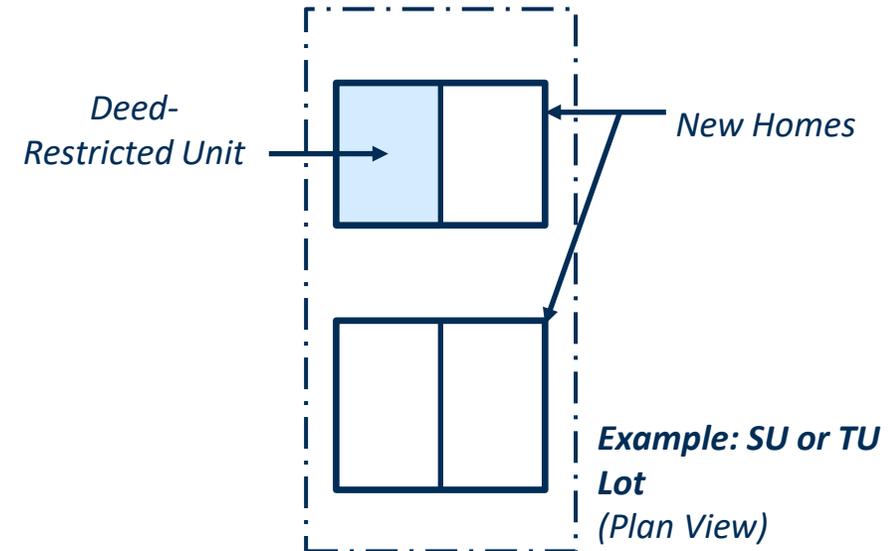
**1a & 1b. Scale and Form:** *Limit the mass and scale of new homes.*



**2. Infill Bonus:** *Allow more housing when the primary structure is retained.*



**3. Affordability Bonus:** *Allow more housing when affordable unit(s) provided.*



# Agenda

1. Project Update
- 2. Recent Meeting Recap**
3. Preliminary Financial Feasibility Findings





# Recap: Fall Meetings

**Advisory Committee Meeting: February 5, 2026**

**Key Focus:** Preliminary results from financial feasibility testing of phase 1 strategies





# Recap: Fall Meetings

City Council & Planning Board Joint Session III, December 18, 2025

## Key Focus: Phase 1 Strategies

### Phase One – Affordability and Preservation Focus

1. Allow **Missing Middle Housing** when the **existing structure is retained**.
2. Allow **Missing Middle Housing** when **affordable housing units** are provided.
3. Develop **Better design standards** and **reduce residential building scale**.



# Agenda

1. Project Update
2. Recent Meeting Recap
- 3. Preliminary Financial Feasibility Findings**



# What is an Economic Feasibility Analysis?



## Data Inputs

Construction cost & land-value assumptions from developer interviews and case studies



## Developer Interviews

- 6 affordable housing developers
- 5 small-scale market rate developers
- 5 groups working in both sectors



## Scenario Testing

Current rules vs. proposed zoning changes tested across a variety of development scenarios

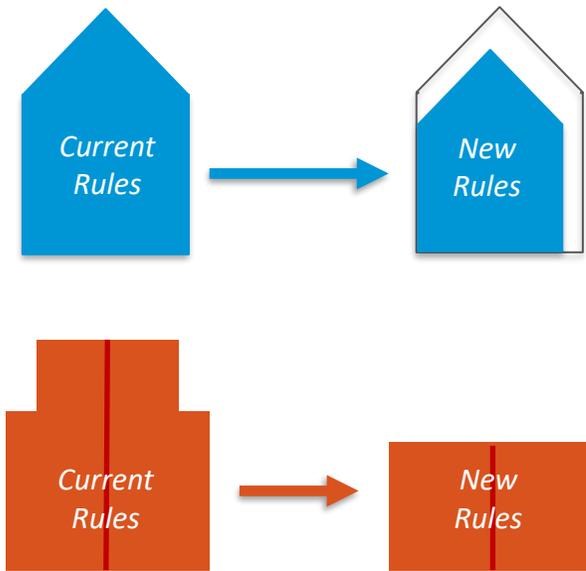


## Result: Forecast of Potential Return on Investment

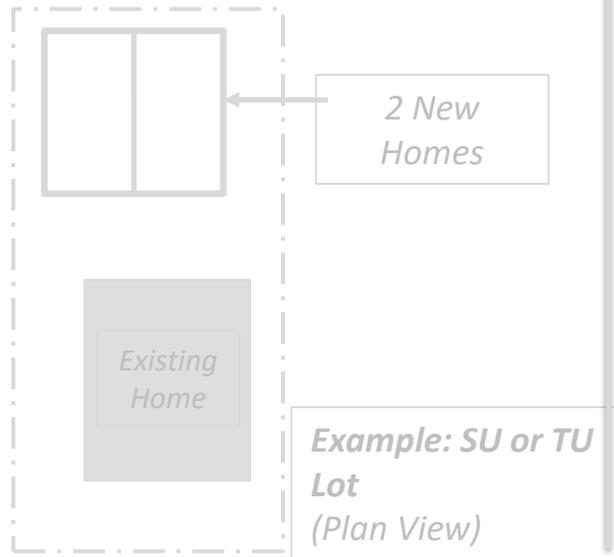
Helps determine whether individual property owners, conventional developers, and/or affordable housing developers might pursue the new housing options.

# Phase I Strategies

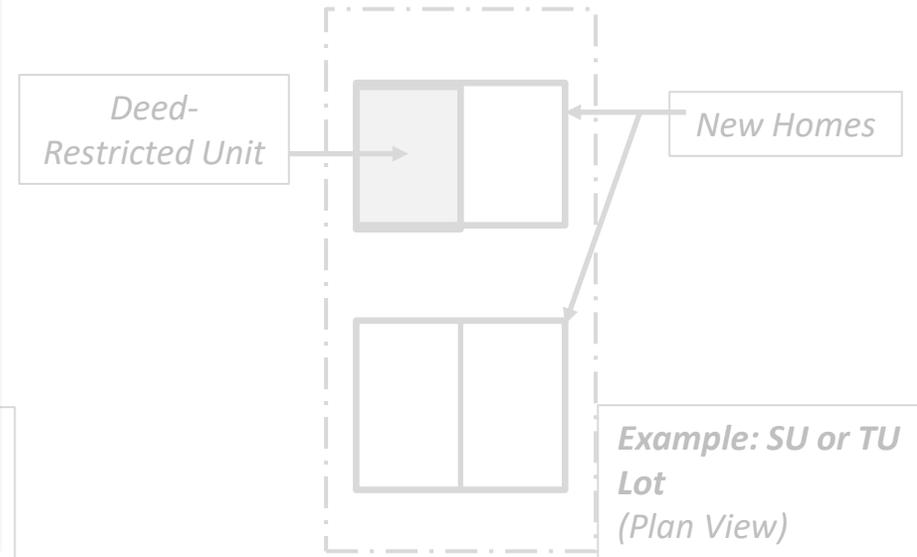
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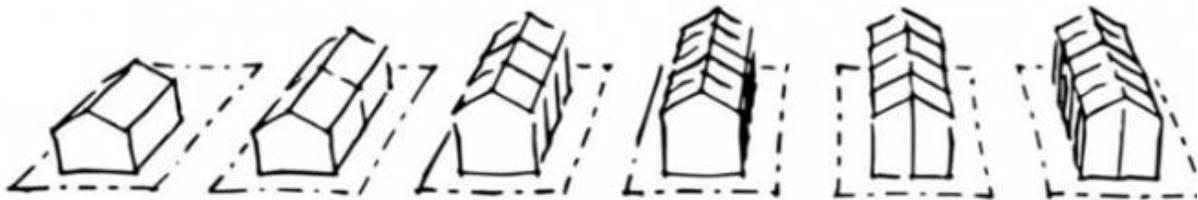


# Testing Strategy 1A: Limiting Gross Floor Area (In Urban Contexts)

- Limit above-grade floor area
- Allowable GFA will be relative to:
  - Lot size
  - Neighborhood Context
  - Number of units provided
- Uniform standards, regardless of unit count

Number of Units	Proposed Maximum Gross Floor Area (U-SU-C) (varies by lot size)
1 unit	3,300 - 3,800 SF
2 units	3,800 - 4,300 SF
3 units	4,300 - 4,800 SF
4 units	4,800 - 5,300 SF

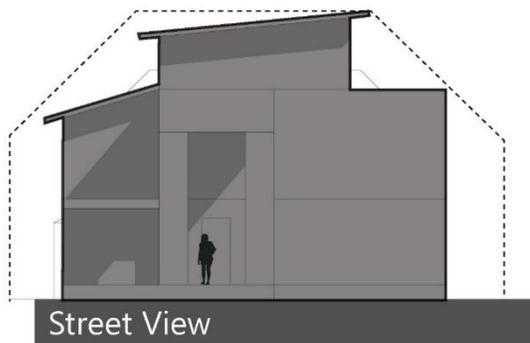
Units/Lot: 1 Unit    2 Units    3-4 Units    5-7 Units    8-10 Units    11 Units



# Economic Feasibility

## NEW RULES FOR URBAN HOUSE (U-SU) AND DUPLEX (U-TU)

Urban House (4,700 SF above grade)



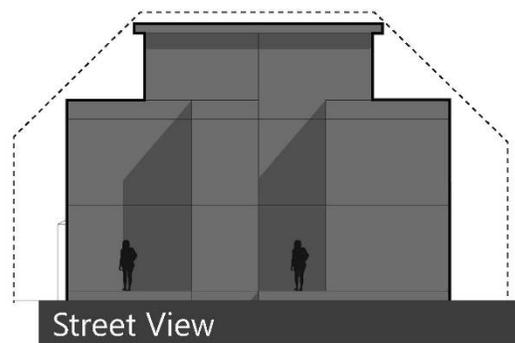
\$2.6  
Million

Urban House (3,300 SF above grade)



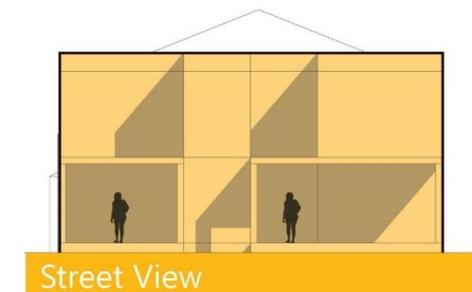
\$1.78  
Million

Duplex (5,500 SF above grade)



\$1.35  
Million  
(Per Unit)

Duplex (4,300 SF above grade)



\$1.05  
Million  
(Per Unit)

FEASIBILITY 

### KEY TAKEAWAY:

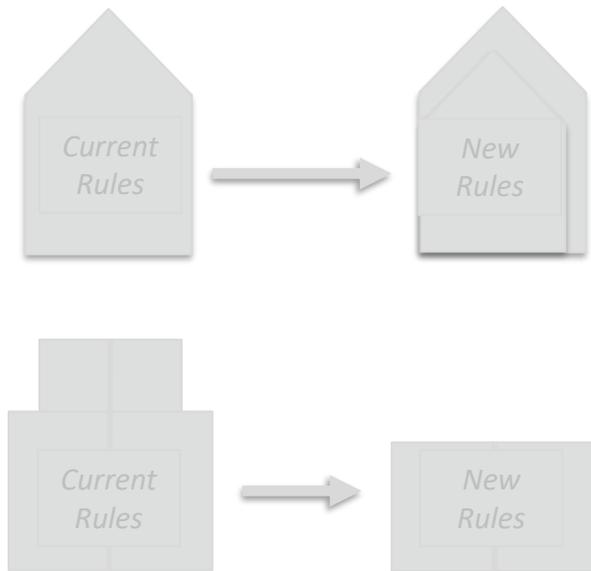
*Limiting building size makes speculative building less profitable.*

# What is the feasibility analysis finding?

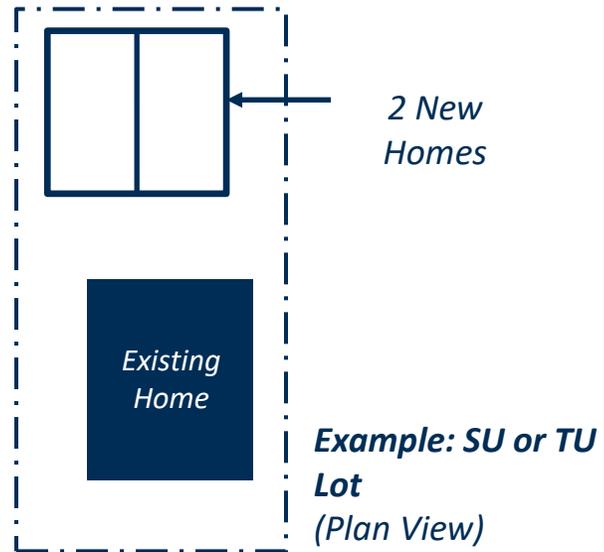
- **Limiting Gross Floor Area (GFA) reduces potential returns.**
  - Still a positive return, but **Single and two-unit homes are not as profitable** as what is possible with current rules.
  - New single- and two-unit development naturally creates housing for lower AMI levels.
- **Sliding Scale financially encourages middle housing options** over large detached homes
  - Homebuilders are encouraged to build **more units > more floor area**

# Phase I Strategies

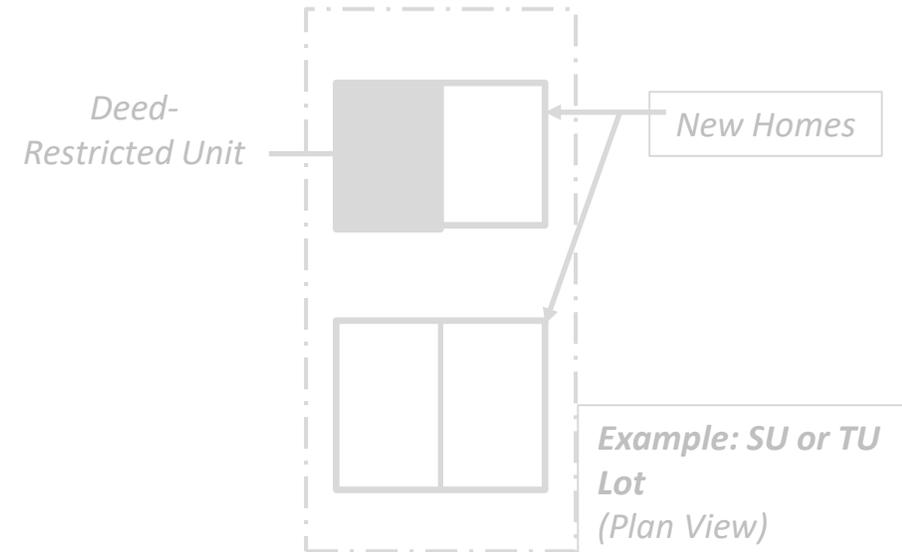
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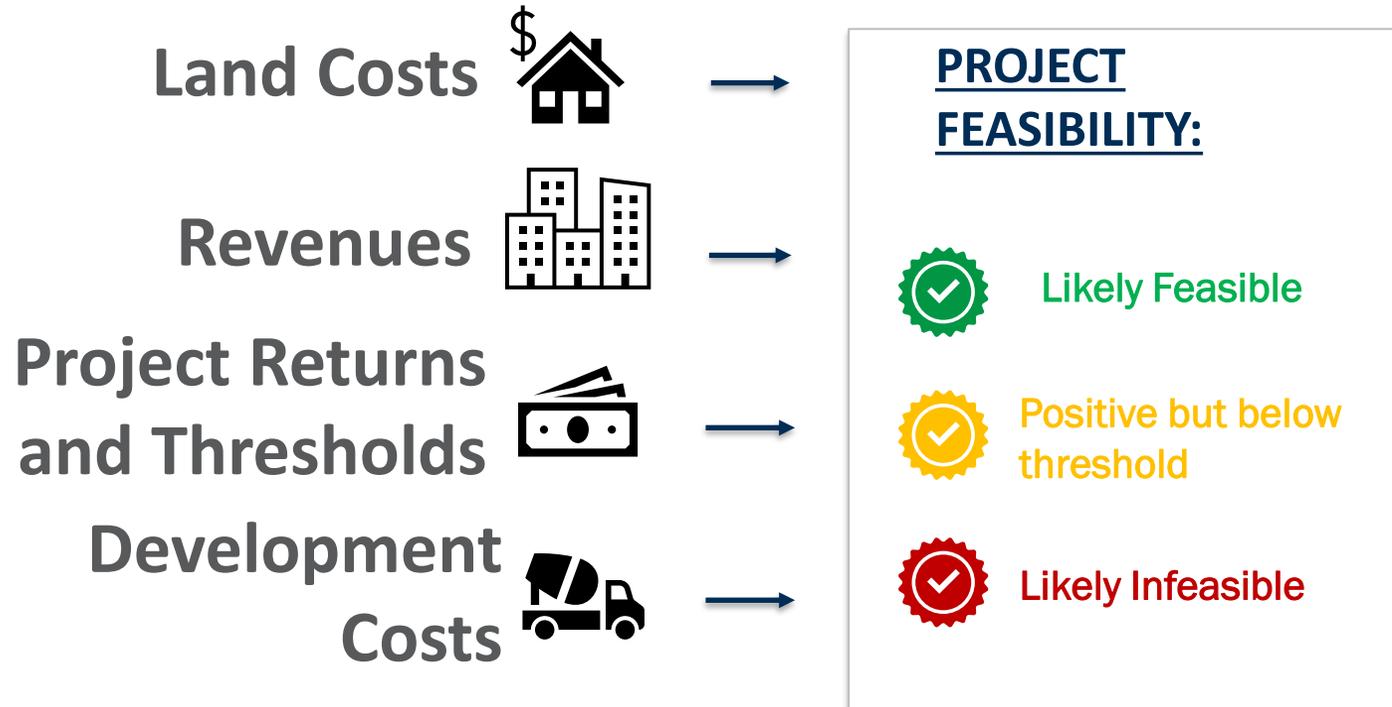
**2. Infill Bonus:** *Allow more housing when the primary structure is retained.*



**3. Affordability Bonus:** *Allow more housing when affordable unit(s) provided.*



# What is an Economic Feasibility Analysis?



## TESTING ASSUMPTIONS:

- 6,250 SF lot (50' x 125') used for all models
- All models include space for 2-4 cars on a lot (surface)
- All models compare what's allowed today vs. what is being proposed
- Updates to building code and review requirements can help increase returns and feasibility in all scenarios

# Testing Strategies 2: Infill Bonus (In Urban Contexts)

Tandem House (2,300 SF)



**\$790k**  
Sale price

FEASIBILITY



Tandem House (1,700 SF)



**\$585k**  
Sale price

FEASIBILITY



Backyard Cottages (850 SF units)



**\$361k**  
Sale price

FEASIBILITY



# What is the feasibility analysis finding?

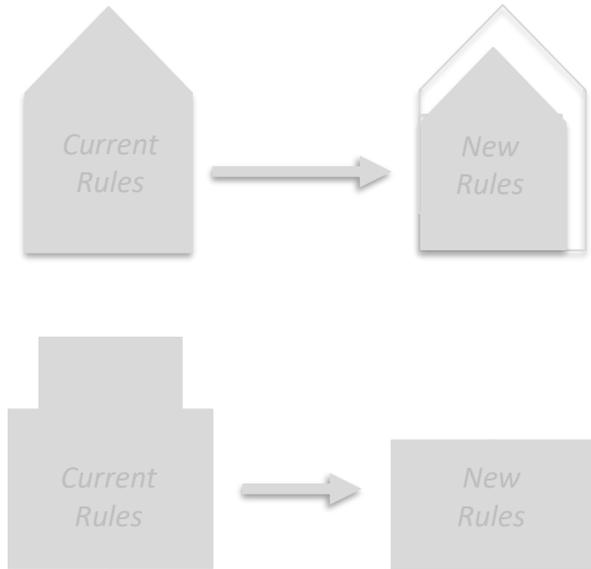
- **Infill bonus housing** results in for-sale or rental units at less than half the cost of typical single-unit housing.
- **Infill bonus housing** has significant potential for returns on investment.
  - Homeowners, homebuilders, and non-profit developers

## TESTING ASSUMPTIONS:

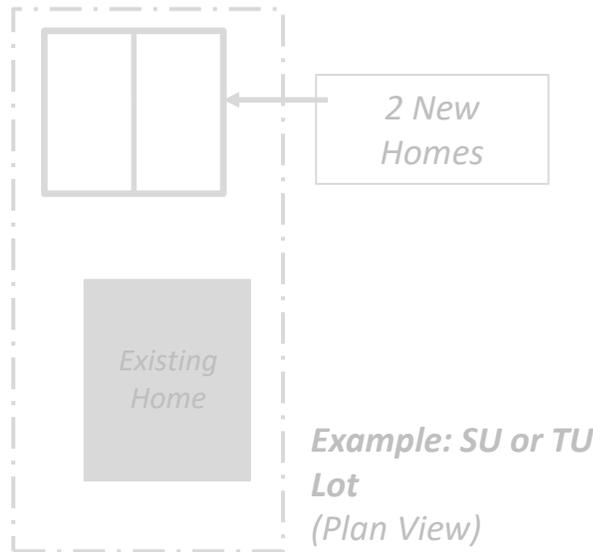
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# Phase I Strategies

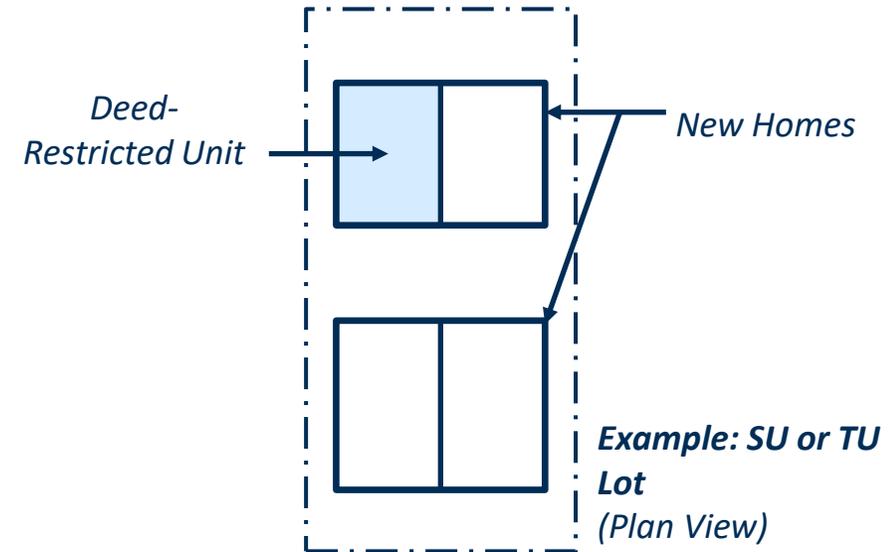
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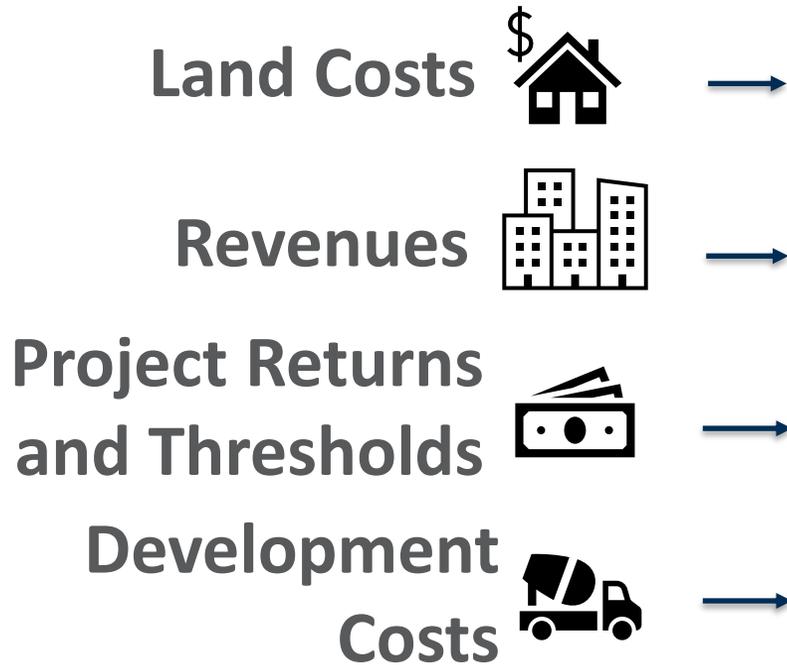
**2. Infill Bonus:** *Allow more housing when the primary structure is retained.*



**3. Affordability Bonus:** *Allow more housing when affordable unit(s) provided.*



# What is an Economic Feasibility Analysis?



## PROJECT FEASIBILITY:



Likely Feasible



Positive but below threshold



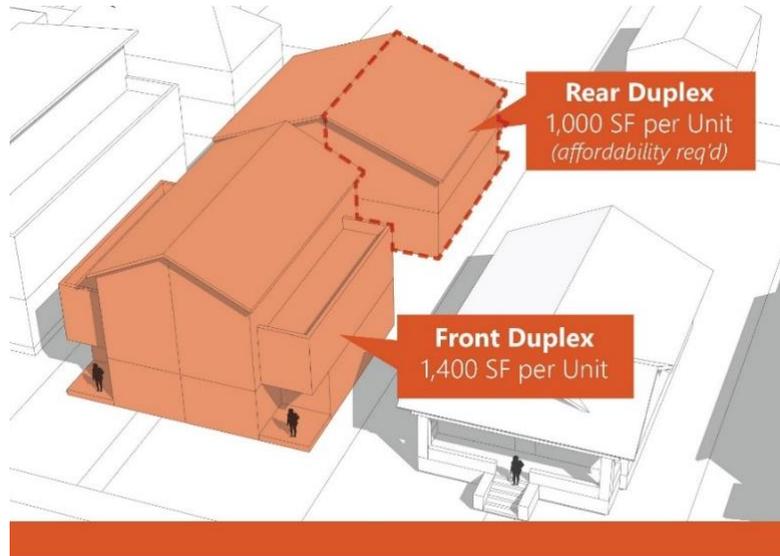
Likely Infeasible

## TESTING ASSUMPTIONS:

- 6,250 SF lot (50' x 125') used for all models
- All models include space for 2-4 cars on a lot (surface)
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# Testing Strategy #3: Affordability Bonus (In Urban Contexts)

Double Duplex  
(1,000 SF – 1,400 SF units – 4 units)

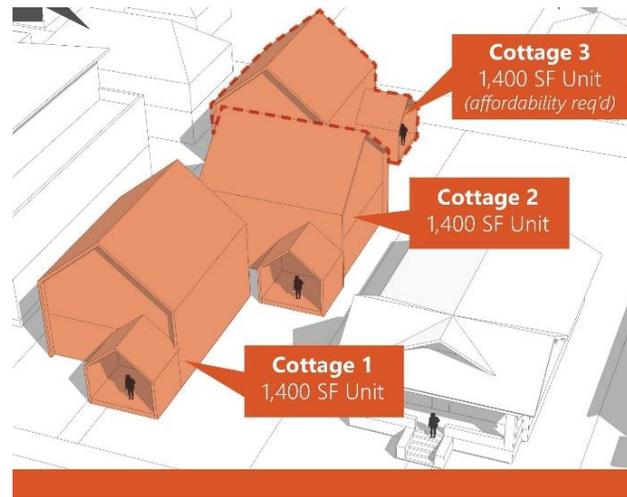


2 units at \$690k  
1 units at \$490k  
**1 units at \$360k**

FEASIBILITY



Cottage Court  
(1,400 SF units – 3 units)

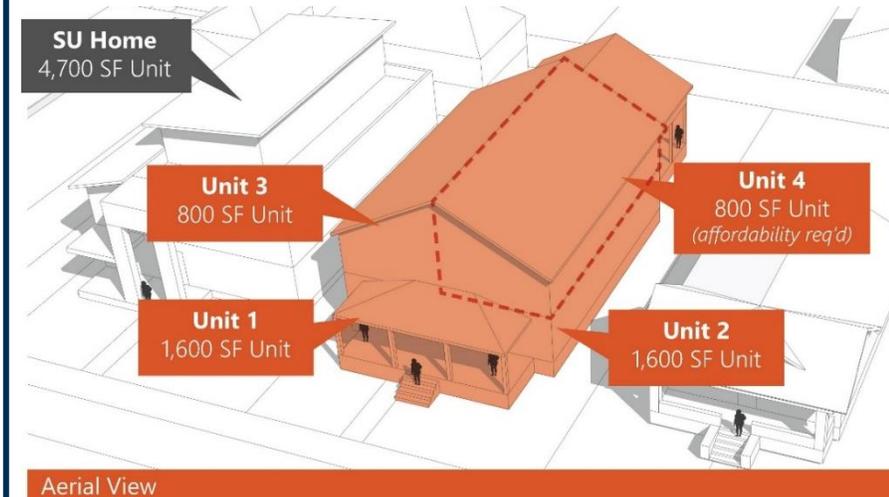


2 units at \$690K  
1 unit at \$390K

FEASIBILITY



Multiplex  
(1,600 & 800 SF units – 4 units)



2 units at \$340k  
2 units at \$680k

FEASIBILITY



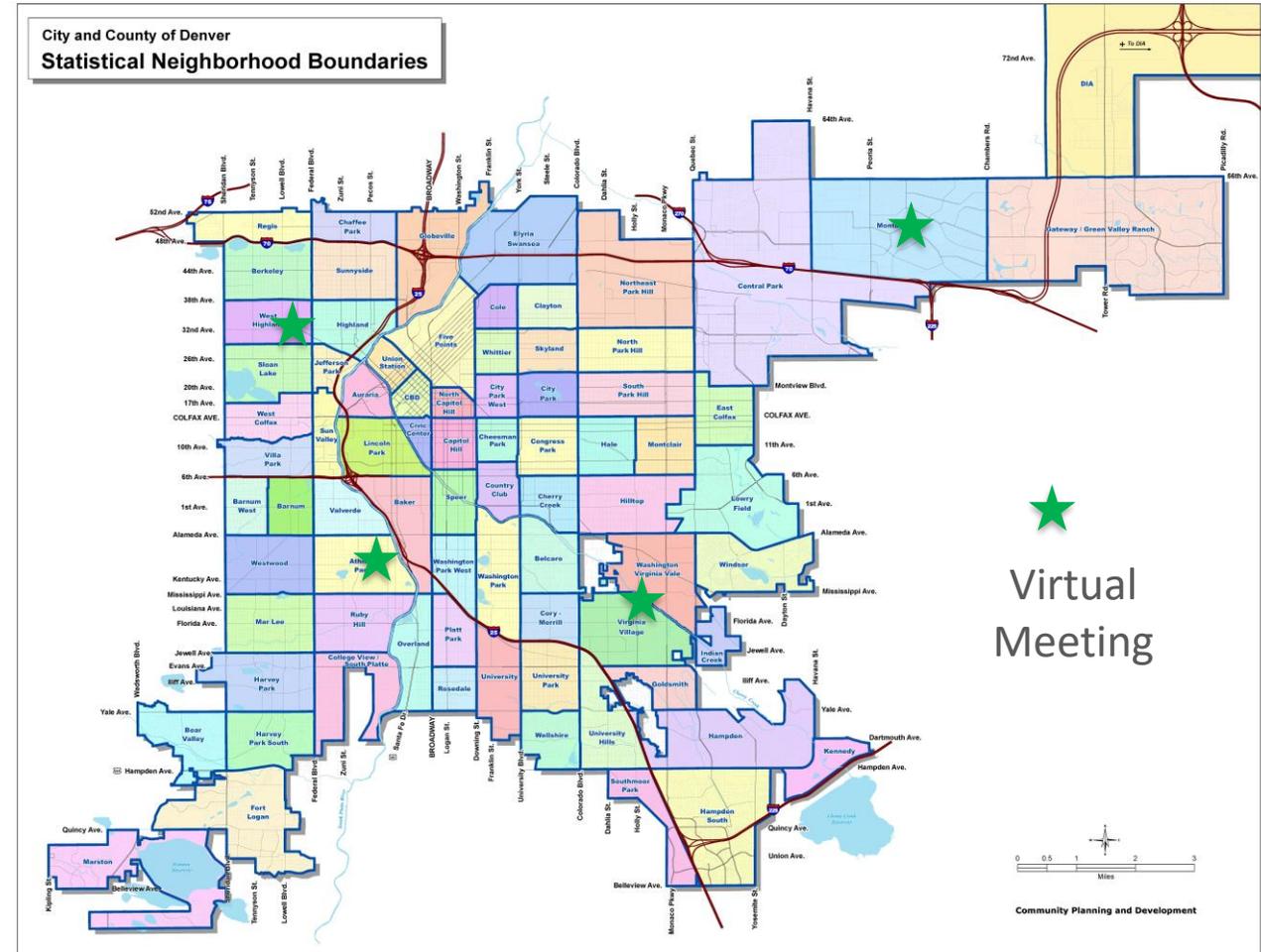
# What is the feasibility analysis finding?

- Double duplexes and cottage developments are most feasible option for the **Affordability Bonus**.
- **Multiplex** examples are **not feasible** for market-rate developers due to construction cost.
  - **Maybe feasible for affordable developers** that already own the land.
  - Updates to **building code**, condo defect insurance, and **review requirements** could increase returns **and improve feasibility**.



# Public Engagement

- **Tuesday, March 24, 5:30-7:30 pm:** Highland Recreation Center
- **Wednesday, March 25, 5:30-7:30 pm:** Cook Park Recreation Center
- **Tuesday, April 7, 6-8 pm:** Athmar Recreation Center
- **Thursday, April 9, 5:30-7:30 pm:** Montbello Recreation Center
- **Wednesday, April 15, 5:30 -7:00 pm:** Virtual
- RNO and Community Group Presentations Upon Request
- Additional Public Meetings in August
- All times and dates subject to change, please visit [www.denvergov.org/housingchoices](http://www.denvergov.org/housingchoices) for the most up-to-date information



# Next Steps

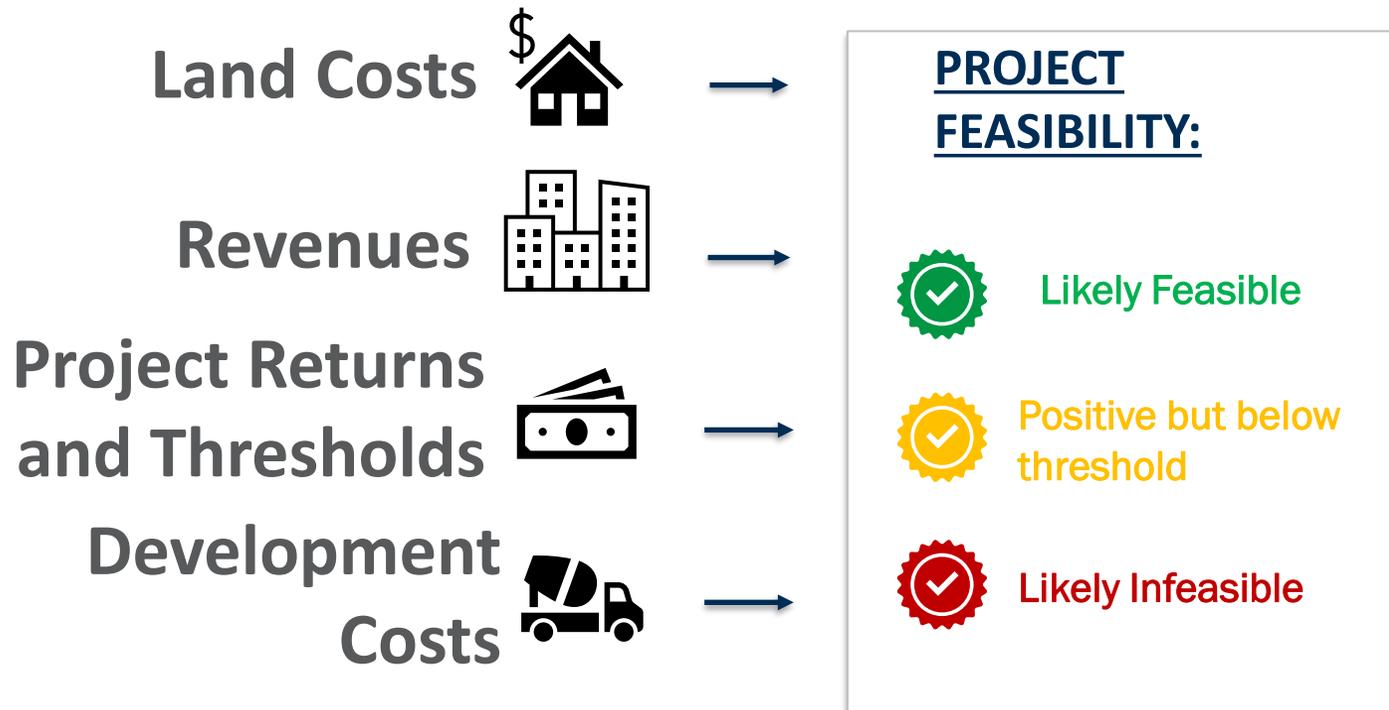
- **Continue working on strategies with committee**
  - February 5 & April 16 2026
- **Public meetings**
  - Early 2026
- **Next Joint Session – Urban Edge and Suburban**
  - May 19, 2026
- **Adoption process and hearings**
  - Winter 2026/2027

# Questions and Discussion

More Project Information at [www.denvergov.org/housingchoices](http://www.denvergov.org/housingchoices)

# Appendix

# What is an Economic Feasibility Analysis?



## TESTING ASSUMPTIONS:

- 6,250 SF lot (50' x 125') used for all models
- All models include space for 2-4 cars on a lot (surface)
- All models compare what's allowed today vs. what is being proposed
- Updates to building code and review requirements can help increase returns and feasibility in all scenarios

### Building Color Coding

**Yellow** – Testing changes to building forms

**Blue** – Testing Infill Bonus

**Red** – Testing Affordability Bonus

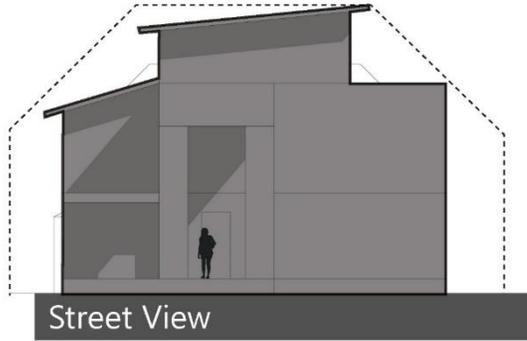
# Economic Feasibility

## NEW RULES FOR URBAN HOUSE (SU) AND DUPLEX (TU)

### KEY TAKEAWAY:

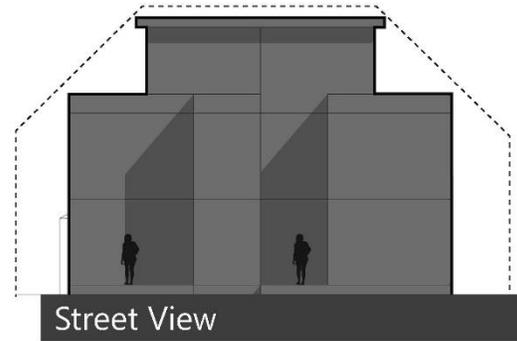
*Limiting building size makes speculative building less profitable.*

Urban House (4,700 SF above grade)



\$2.6  
Million

Duplex (5,500 SF above grade)



\$1.35  
Million  
(Per Unit)

Urban House (3,300 SF above grade)



\$1.78  
Million

FEASIBILITY



Duplex (4,300 SF above grade)

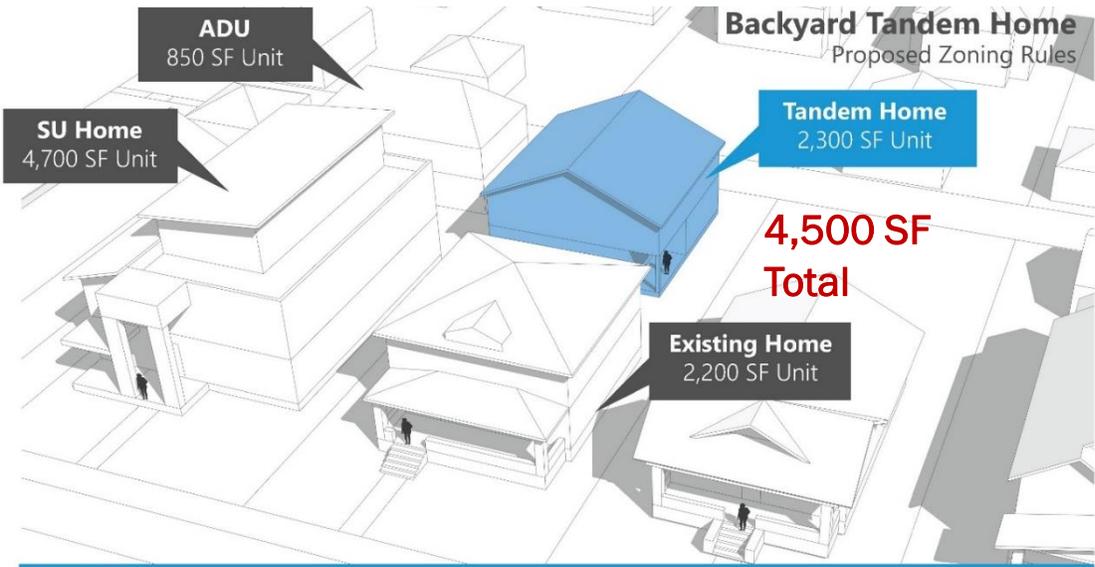


\$1.05  
Million  
(Per Unit)

FEASIBILITY



# Infill Bonus (Backyard Tandem House)



Aerial View



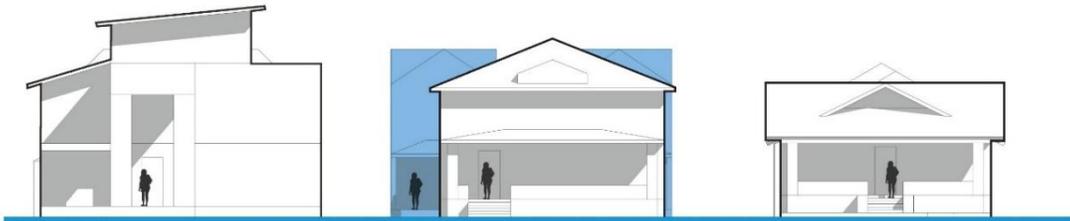
Street View

**4,500 SF Total Livable Space (above grade)**  
**TWO TO FOUR UNITS**

# Infill Bonus (Backyard Cottage)



Aerial View



Street View

**4,300 SF Total Livable Space (above grade)**  
**THREE TO FOUR UNITS**

# Economic Feasibility

## INFILL BONUS

**KEY TAKEAWAY:** Most feasible with alley access. Likely to yield max. 2 units in rear yards. Feasible for homeowners, and market-rate and affordable developers.

### Tandem House (2,300 SF)



**\$790k**

Sale price

FEASIBILITY



### Tandem House (1,700 SF)



**\$585k**

Sale price

FEASIBILITY



### Backyard Cottages (850 SF units)



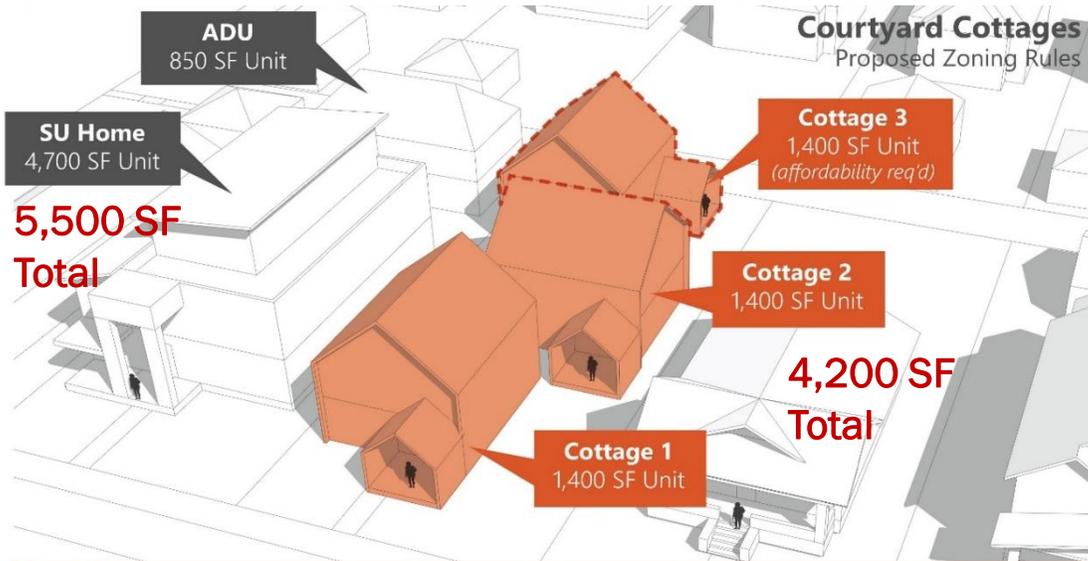
**\$361,250**

Sale price  
per unit

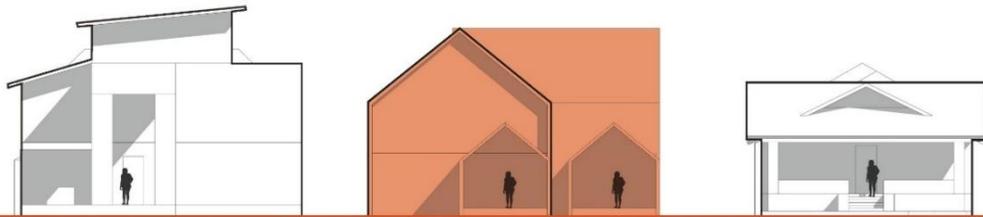
FEASIBILITY



## Affordability Bonus (Cottage Court)



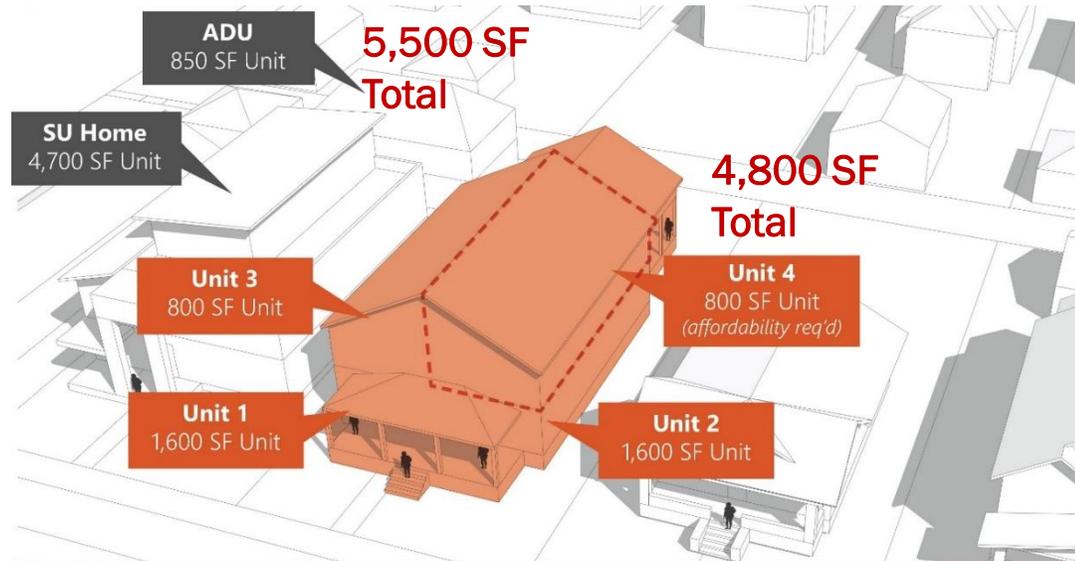
Aerial View



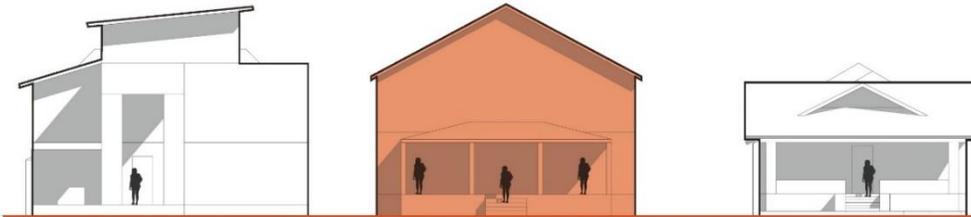
Street View

**4,200 SF Total Livable Space (above grade)**  
**THREE UNITS**

## Affordability Bonus (Multiplex)



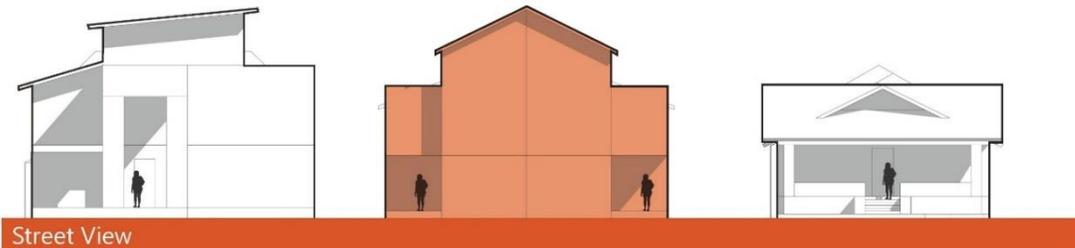
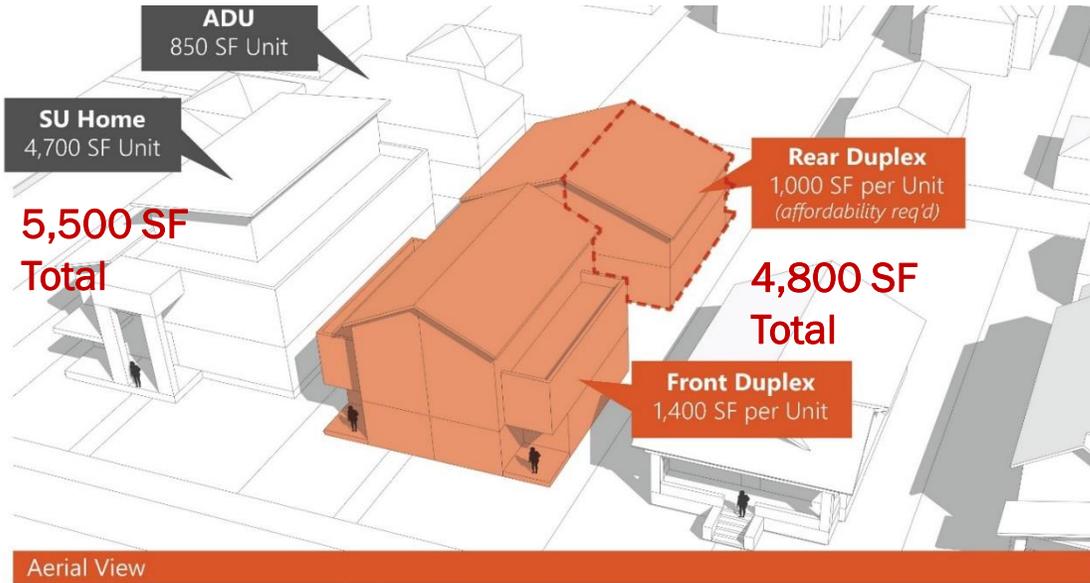
Aerial View



Street View

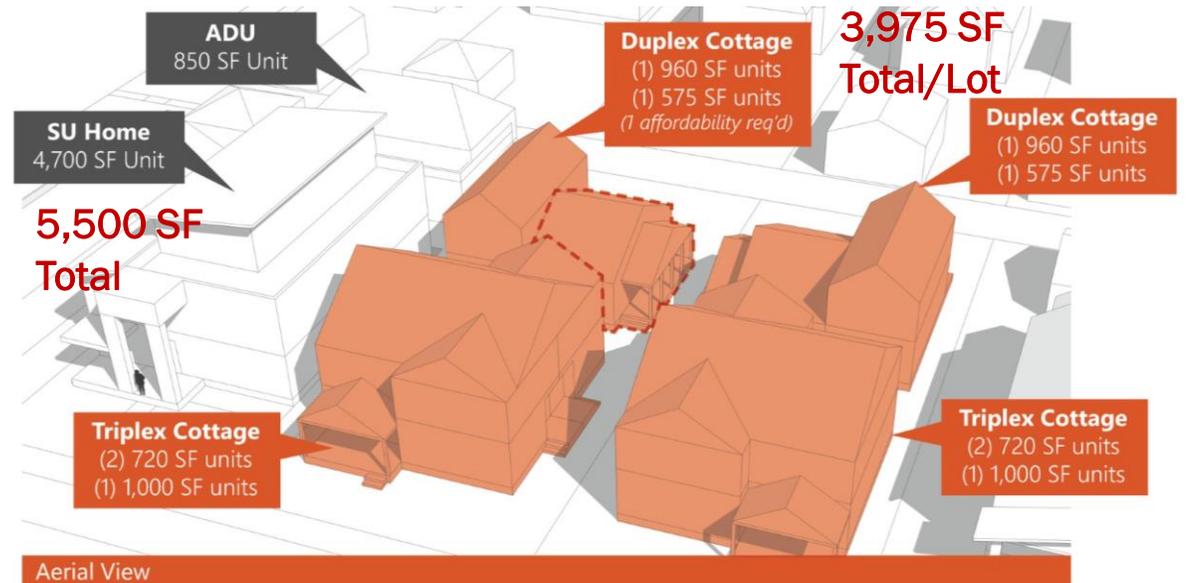
**4,800 SF Total Livable Space (above grade)**  
**FOUR UNITS**

## Affordability Bonus (Double Duplex)



**4,800 SF** Total Livable Space (above grade)  
FOUR UNITS

## Affordability Bonus (Double Lot Cottage Complex)

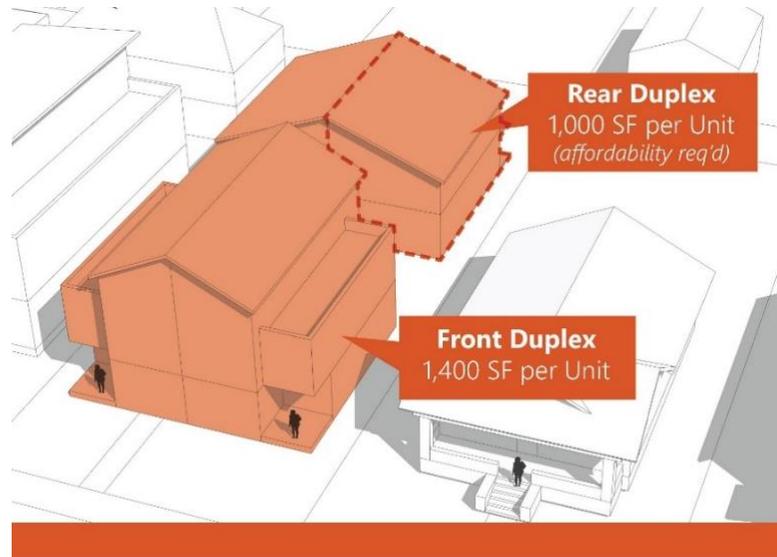


**3,975 SF** Total Livable Space (above grade)  
FIVE UNITS (PER LOT)

# Economic Feasibility

## AFFORDABILITY BONUS

Double Duplex  
(1,000 SF – 1,400 SF units – 4 units)



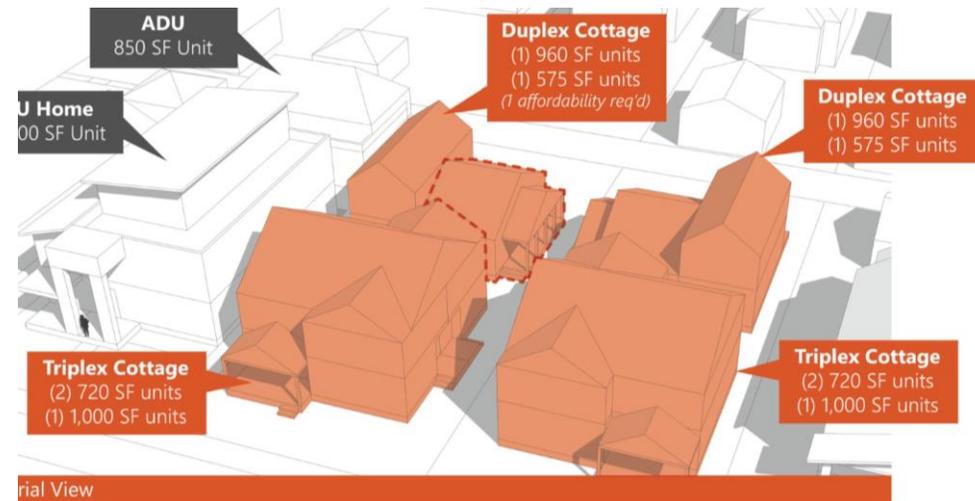
2 units at \$690k  
1 units at \$490k  
**1 units at \$360k**

FEASIBILITY



**KEY TAKEAWAY:** Double duplexes are most feasible due to building code True “cottage” style development likely requires wider lots

Double Lot Cottage  
(575 SF – 1,000 SF units – 10 units)



2 units at \$490k  
2 units at \$470k  
**4 units at \$350k**  
**2 units at \$280k**

FEASIBILITY

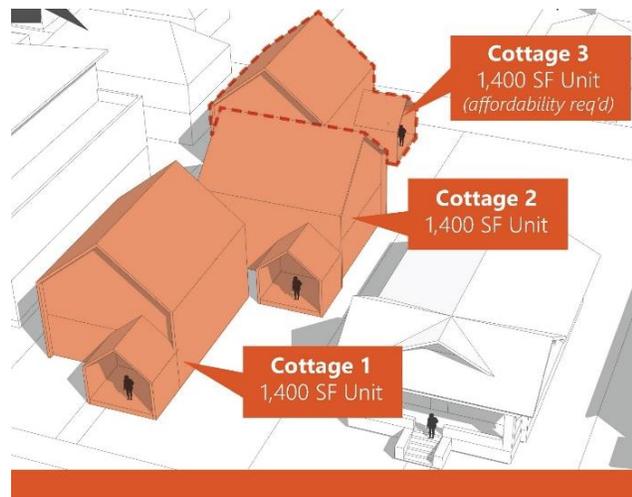


# Economic Feasibility

## AFFORDABILITY BONUS

**KEY TAKEAWAY:** Multiplex development is likely infeasible for market rate developers.

Cottage Court  
(1,400 SF units – 3 units)

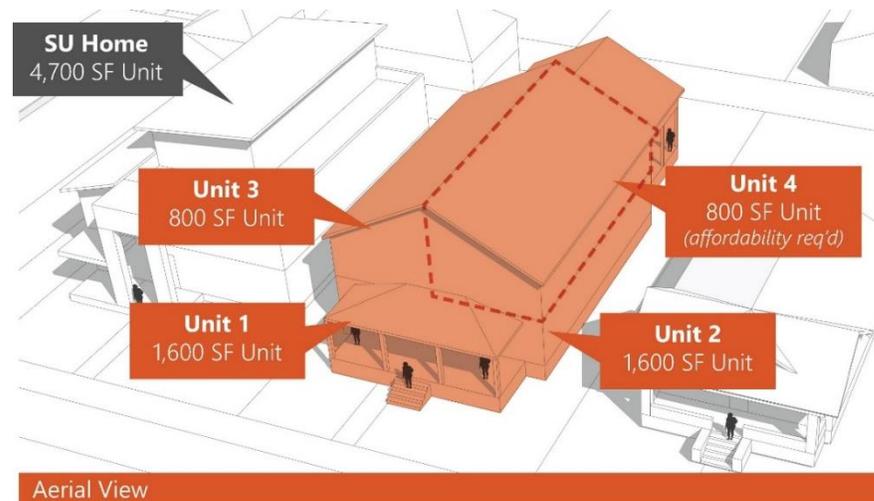


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FEASIBILITY



Multiplex  
(1,600 & 800 SF units – 4 units)



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FEASIBILITY

