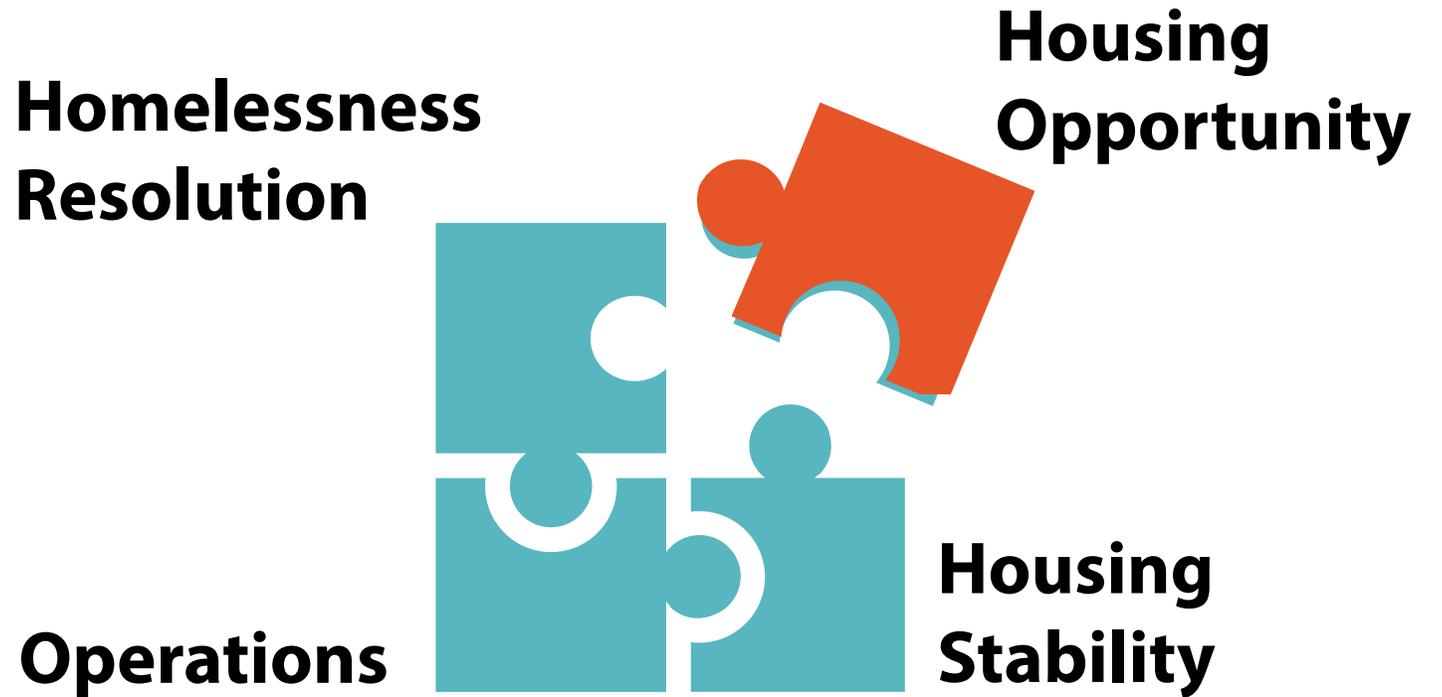


# Expanding Housing Affordability

*Denver City Council  
June 6, 2022*



**Addressing  
Housing  
Needs**  
requires  
multiple  
tools and  
approaches



# Complementary HOST Programs:

- Preservation of least **950 affordable homes** by 2026 (at least 216 this year)
- **Prioritization policy** effort will provide priority access to affordable housing for residents at risk of displacement or those who have been previously displaced
- Investment Impact **Special Revenue Fund** to mitigate pressures from large City investments in infrastructure
- Creating **838 affordable rental homes** in 2022, Including **252 below 30% AMI** and **63 with 3+ bedrooms**
- Launching **locally funded voucher** program



*Juanita Nolasco residences 188 affordable units preserved for seniors*



The city is proposing a new requirement that would ensure that **as new housing is built, new affordable housing is created too.**

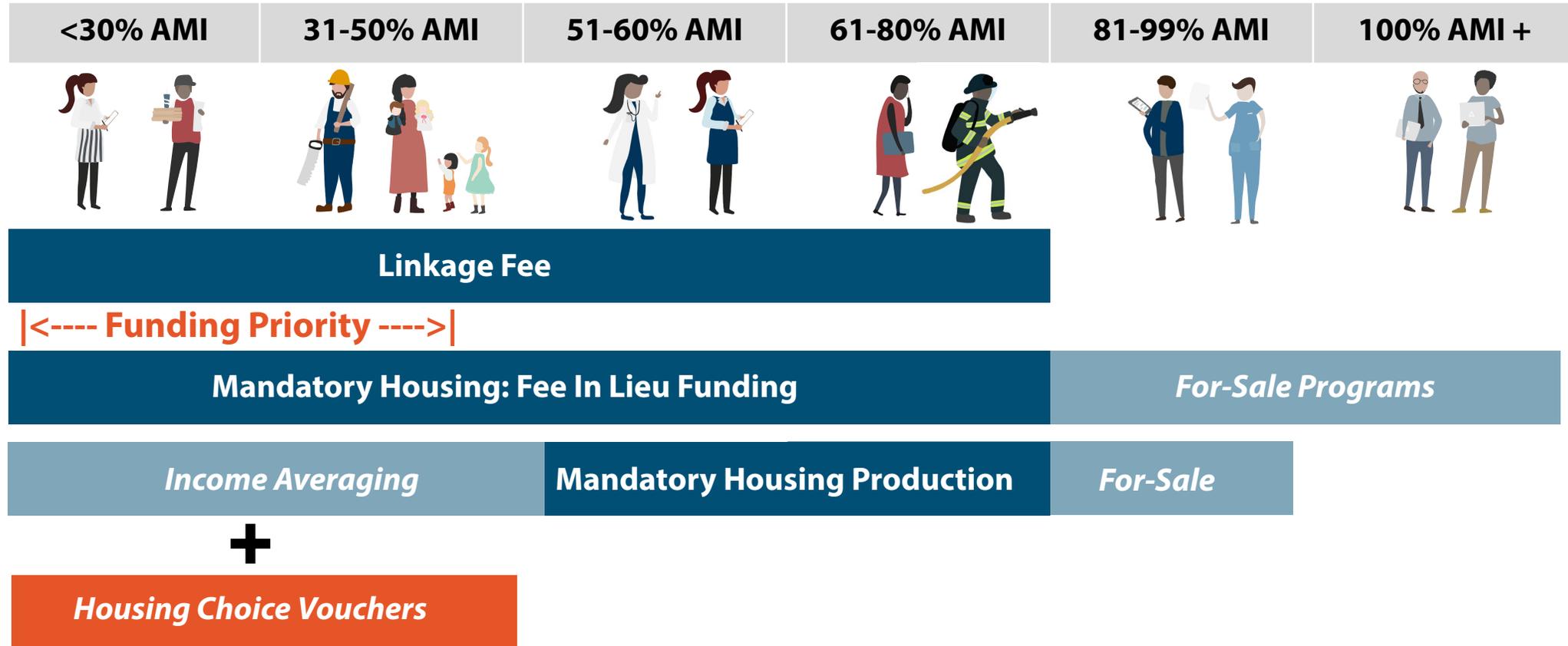
This will be done through the creation of a **Mandatory Housing Program** with **Incentives** and a **Linkage Fee** update.

EHA  
complements  
existing  
programs &  
resources and  
serves a range  
of incomes

Mandatory affordable housing and linkage fees...

- Increase **supply of housing overall** and **affordable housing** without out the use of limited subsidy
- **Create mixed-income housing** across the City
- **Maintain critical local funding source** for HOST investments in the creation of deeply affordable housing

# EHA serves a broad range of incomes



# Overview of Proposed Regulatory Changes

- Text Amendment to the Denver Zoning Code
- Map Amendment (Rezoning) of the 38<sup>th</sup> and Blake Area (#2022I-00029)
- Amendments to Denver Revised Municipal Code, Chapter 27, Articles V, VI & X

# Project Timeline

February 2020: Former Project Affordable Housing Zoning Incentive Launched

February 2021: Expanding Housing Affordability Project Launched

**Phase One:** Identification of Housing Needs, Denver Lessons Learned and Peer City Research

- Background report released on February 18, 2021

**Phase Two:** Financial Feasibility Analysis and Policy Development

- Financial feasibility results released on July 15, 2021 (revised October 1, 2021)
- Draft policy proposal released on October 1, 2021

**Phase Three:** Public Review

- Public review draft of the Denver Revised Municipal Code (DRMC), Denver Zoning Code (DZC), and an updated policy document released on February 1, 2022

**Legislative Process (April – June)**

# Outreach Summary

**45** Community groups or industry organization presentations & discussion

**13** Focus Groups with **330** participants

**6** City Council Committee Meetings

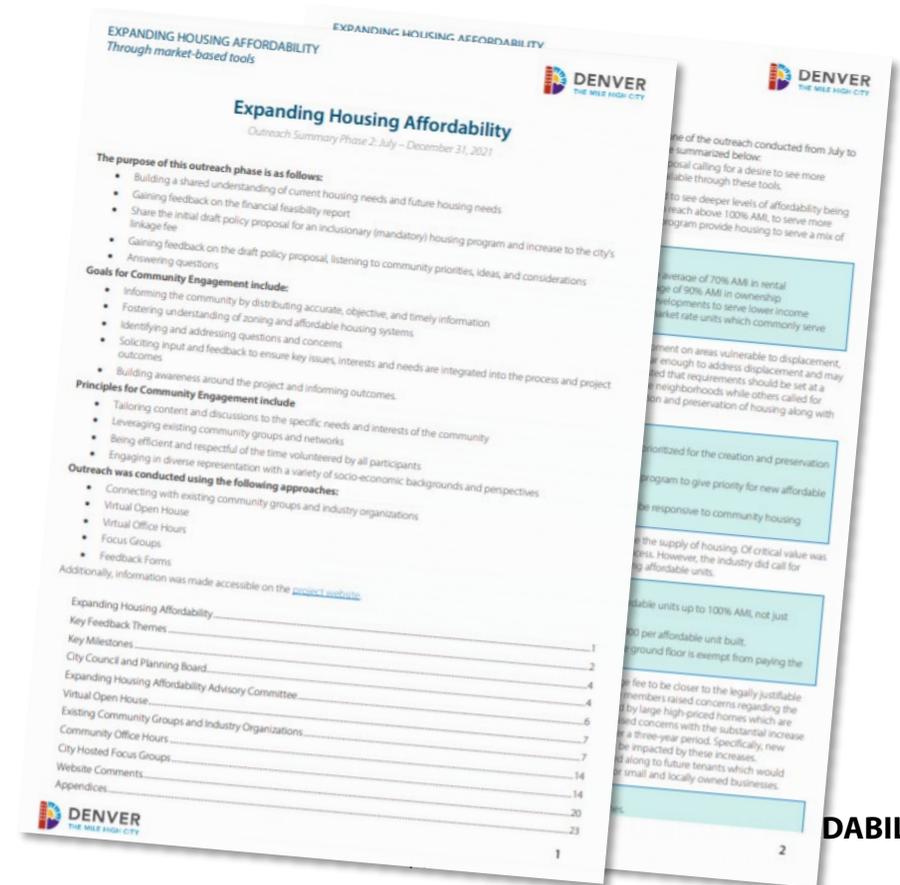
**4** Planning Board Informational Meetings

**6** Advisory Committee Meetings

**2** Open Houses

**8** Community Office Hours

**Over 267** different organizations engaged throughout the process.



# Proposal Overview

# Creating a Balanced Proposal



The proposed **Expanding Housing Affordability** policy recommendation seeks to balance:

- Current and future housing needs
- Analysis of other cities programs and successes
- Past/current Denver program lessons learned
- Financial feasibility
- Extensive stakeholder feedback

And align with the requirements of HB21-1117

# Program Applies to New Construction

 **1-9** Units



**Linkage Fee**

 **10+** Units

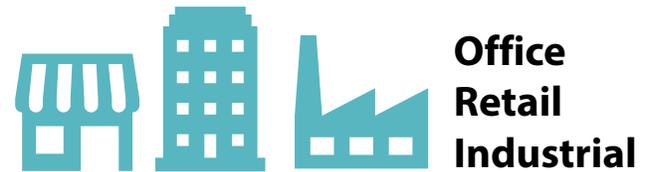


**Mandatory Housing**

To build affordable units onsite

Enabling for **Alternative Compliance**

Zoning and financial incentives



**Office  
Retail  
Industrial**



**Linkage Fee**

All new development will contribute to creating more affordable housing

# Linkage Fee



Ties the impacts of new development to the need for affordable housing. These fees play a critical role in **funding new affordable housing throughout the city.**

- Applies to residential developments of 1-9 units and non-residential uses.
- Does not apply to...
  - Renovations or tenant finishes of existing developments
  - Small additions to existing single and two-unit developments
  - Accessory dwelling units (ADUs)
  - Areas with pre-existing housing agreements
  - Affordable housing projects
  - Educational uses

# Proposed Linkage Fee

Use	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025
1-9 units, of 1,600 sf per unit or less	\$1.75	\$2.83	\$3.92	<b>\$5.00</b>
1-9 units, units more than 1,600 sf	\$2.50	\$4.33	\$6.17	<b>\$8.00</b>
Other residential uses (e.g., Congregate living)	\$2.25	\$3.83	\$5.42	<b>\$7.00</b>
Commercial, Sales, Service – Typical Market	\$2.90	\$3.93	\$4.97	<b>\$6.00</b>
Commercial, Sales, Service – High Market	\$3.65	\$5.43	\$7.22	<b>\$9.00</b>
Industrial, manufacturing, wholesale, agricultural	\$0.96	\$1.47	\$1.99	<b>\$2.50</b>

Annual adjustments for inflation will resume in 2026

# Mandatory Affordable Housing



As new housing is built, **new affordable housing is built** by...

- Creating mixed-income housing throughout the city
- Increasing funding to support the creation and preservation of affordable housing

Applies to new development of 10 or more units

- Does not apply to...
  - renovations of existing developments,
  - affordable housing projects or similar
  - areas with pre-existing housing agreements, or
  - affordable housing projects

# Compliance Options

**Build On Site** varies by tenure and market area

- Baseline requirements + incentives
- Enhanced requirements + incentives

**Pay a Fee-In-Lieu** varies by tenure, market area, and development type (height)

**Negotiated Alternative\***, such as units serving lower incomes, family-friendly developments, land dedication, etc.

**High Impact Development\*** for sites of 10+ acres or using TIF/Metro District. Requires community engagement to inform housing commitment.

\*requires HOST review & approval

# Build On-Site Summary

		Typical Markets (All Other Areas of the City)	High-Cost Markets (Downtown, Cherry Creek)
Build Onsite Option #1	On-Site <b>Rental</b>	<b>8%</b> of total units at <b>60% AMI</b>	<b>10%</b> of total units at <b>60% AMI</b>
	On-Site <b>Ownership</b>	<b>8%</b> of total units at <b>80% AMI</b>	<b>10%</b> of total units at <b>80% AMI</b>
Build Onsite Option #2	On-Site <b>Rental</b>	<b>12%</b> of total units averaging <b>70% AMI</b> serving households up to 80% AMI	<b>15%</b> of total units averaging <b>70% AMI</b> serving households up to 80% AMI
	On-Site <b>Ownership</b>	<b>12%</b> of total units averaging <b>90% AMI</b> serving households up to 100% AMI	<b>15%</b> of total units averaging <b>90% AMI</b> serving households up to 100% AMI

# Incentives

Incentives are designed to promote the creation of affordable housing and create more housing overall while providing moderate cost off-sets

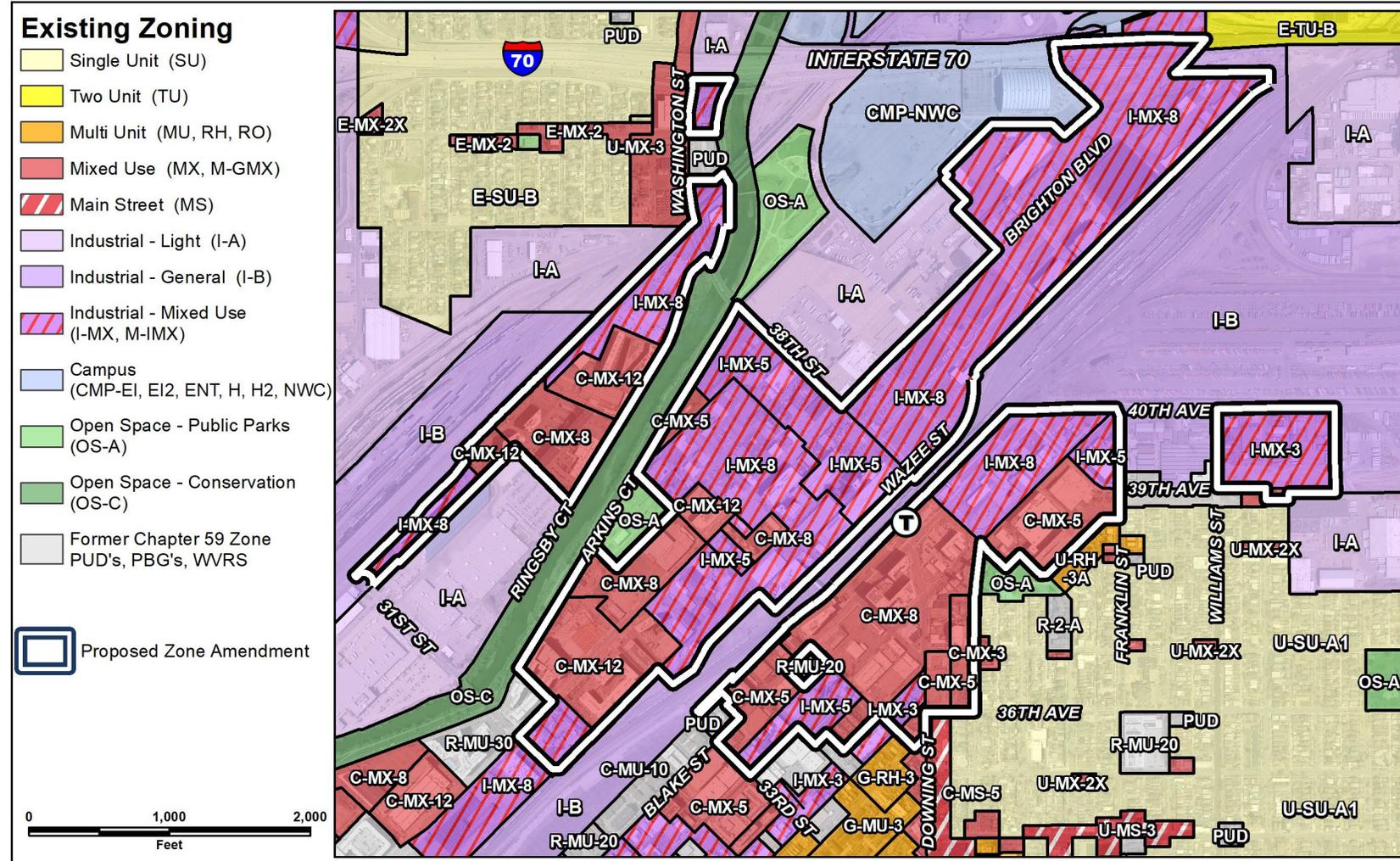
Baseline Incentives – By-Right				Enhanced Incentives – By-Right In exchange for greater affordability		
	<b>Fee Reduction</b> \$6.5 – 10K per affordable unit up to 50% of total permit fee	<b>Linkage Fee Ground Floor Commercial Exemption</b>	<b>Parking Reduction</b> Reduction of 0.5 spaces per unit	<b>Incentive Height</b> Increased height ~25 – 50% increase	<b>Parking Exemption</b>	<b>Affordable Housing Review Team</b>
<b>Applicability</b>	Citywide	Citywide	Citywide	Specific Zone Districts	¼ mile from transit station & future BRT	Citywide
<b>Build On-Site</b>	✓	✓	✓	✓	✓	✓
<b>Fee In Lieu</b>	✗	✗	✗	✗	✗	✗
<b>Affordable Projects</b>	✓	✓	✓	✓	✓	✓

✓ - Incentive available; ✗ - Incentive not available ✓ - incentive available based on capacity

# 38<sup>th</sup> and Blake Overview

# Existing Zoning

- C-MX-3, -5, -8, -12
- I-MX-3, -5, -8
- Overlays (all areas)
  - IO-1 (Incentive Overlay)
  - DO-7 (Design Overlay)
- Overlays (some areas)
  - UO-1 (Adult Use)
  - UO-2 (Billboard)



# 38th & Blake Today

- 38<sup>th</sup> & Blake Station Area Incentive Overlay (IO-1) enables additional height in exchange for affordable housing, fees, or community uses
- Maximum incentive heights today range between 5 and 16 stories (12 stories is most common)
- Many projects do not provide any affordable units (no requirement if within base height)
- Projects that use incentive height provide 2% to 5% affordable units at 80% AMI

# 38<sup>th</sup> & Blake Tomorrow

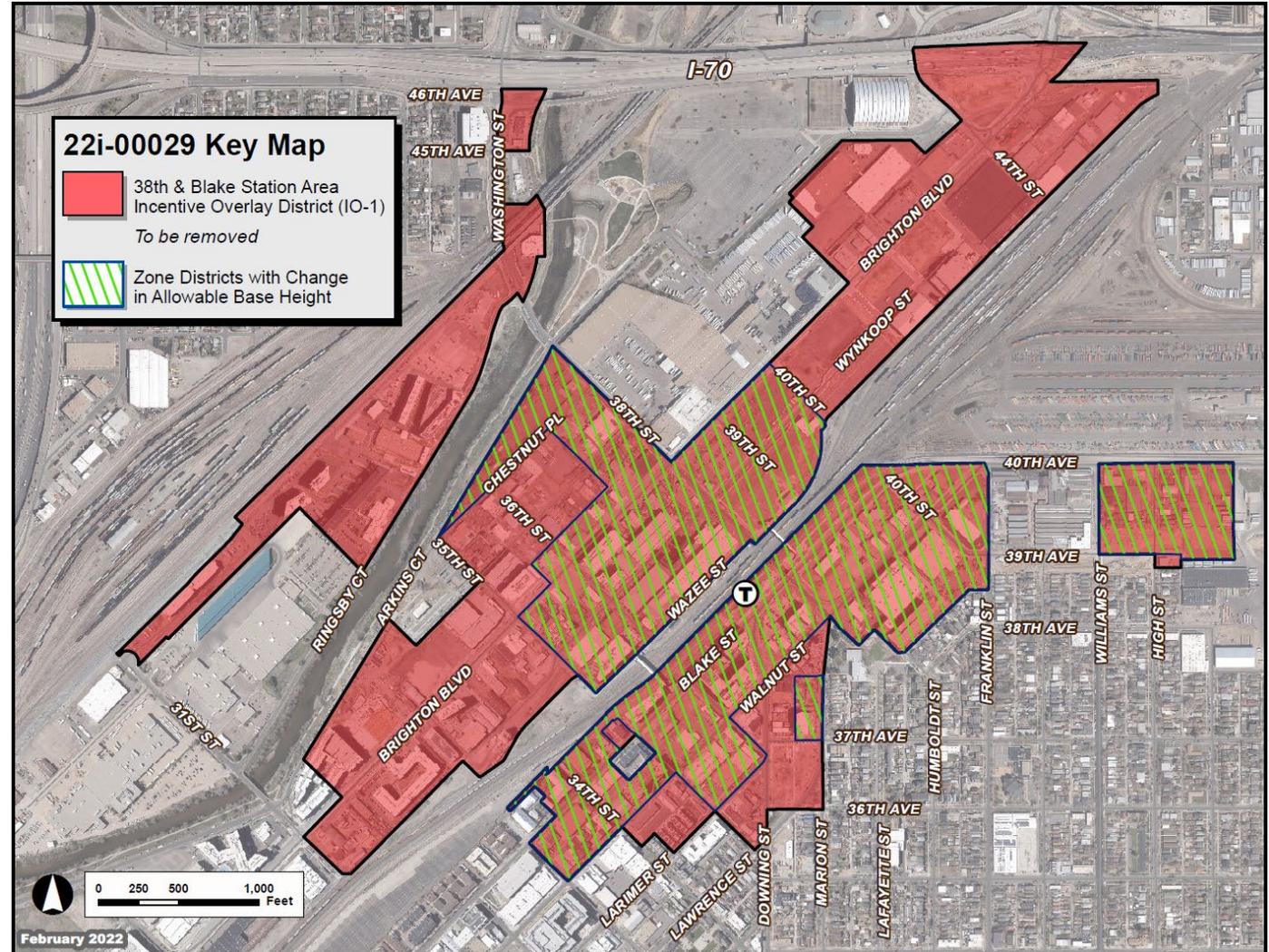
- Require **all** residential projects of 10 units or more to provide affordable housing (base or incentive)
- Create **2 to 4 times** more affordable housing units at **lower AMI levels**
- Be consistent with citywide EHA requirements and eliminate the need for custom administration



# 38<sup>th</sup> & Blake Tomorrow (cont.)

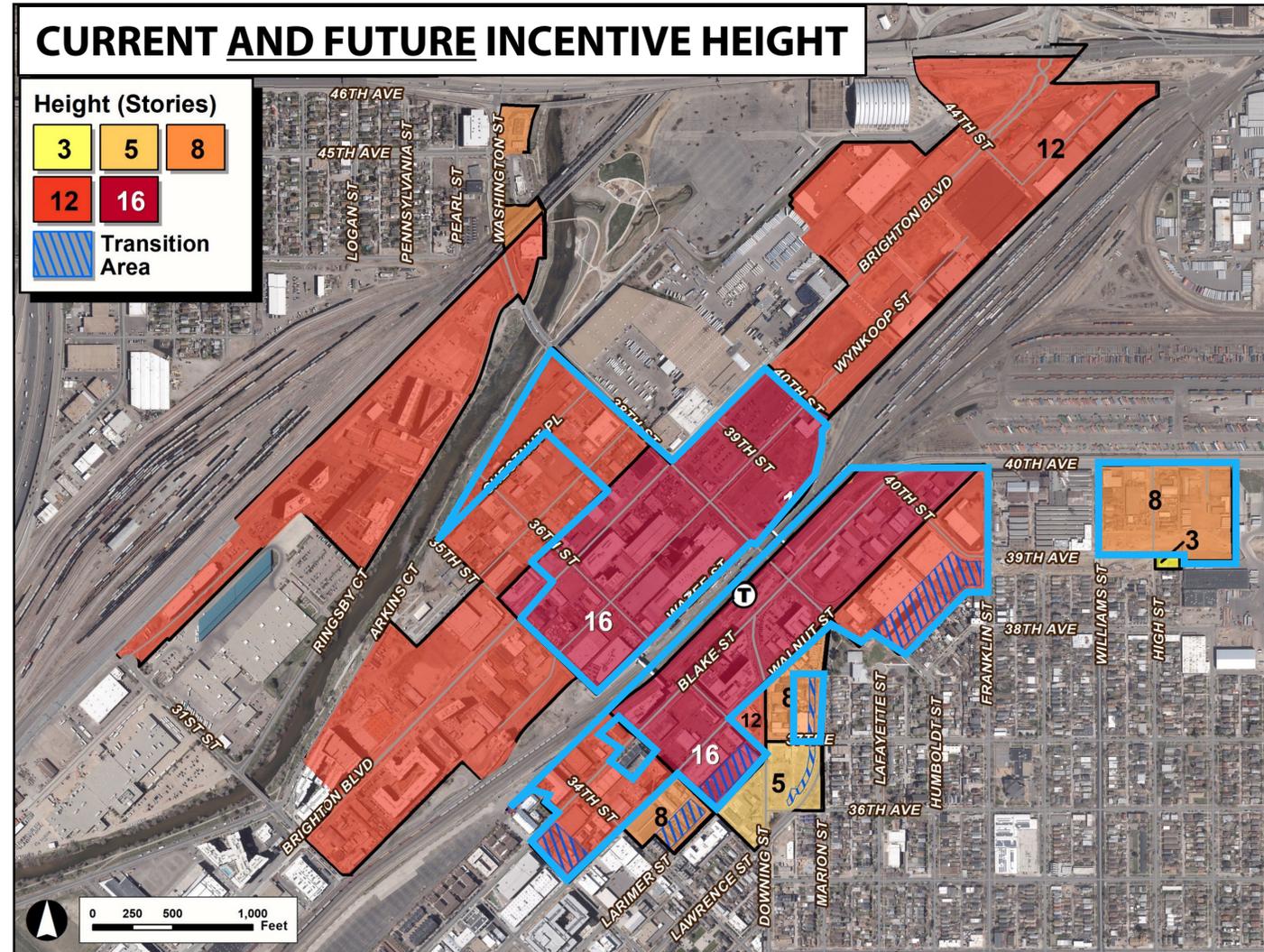
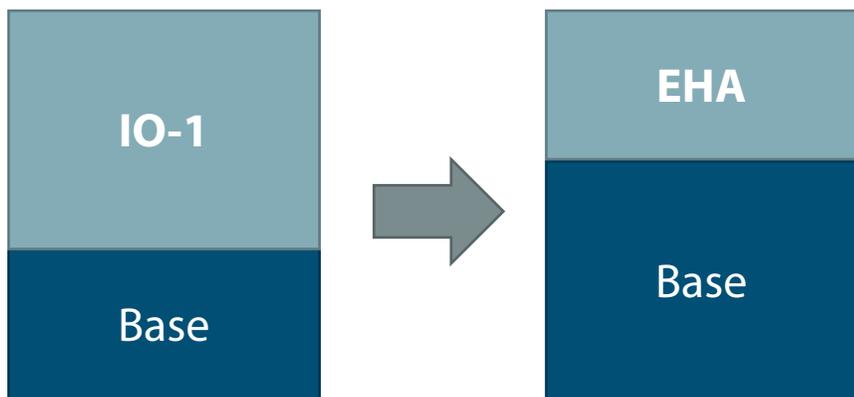
To achieve this:

- Remove current overlay
- Increase base heights in some locations (no change in most areas)
- Maximum heights remain the same



# Why are base heights being adjusted?

- Incentive heights proposed by EHA are less than current IO-1
- Adjustments to base height are needed to maintain current incentive heights recommended in adopted plans



# Text Amendment & Rezoning Criteria

# Public Process

- On-going public outreach since February 2021
  - 260+ organizations and hundreds of people participated
- Informational Mailing Sent to 38<sup>th</sup> & Blake Property Owners: 02/23/2022
- Informational Notice of Map Amendment: 02/25/2022
- Informational Notice of Text Amendment: 03/04/2022
- Planning Board Notice Mailed/Posted: 03/22/2022
- Planning Board Public Hearing: 04/06/2022
- Notice of LUTI Committee: 04/5/2022
- LUTI Committee: 04/19/2022 & 04/26/2022
- Notice of City Council Public Hearing: 05/16/2022
- City Council Public Hearing: 06/06/2022

# Legislative Process

## Planning Board Public Hearing (4/6)

**Unanimous recommendation of approval (8-0) on the Denver Zoning Code Text Amendment and the Map Amendment.**

Significant discussion regarding the applicability of the parking exemption resulting in the following motion passed (7-1): *I move that Planning Board further recommend that the City Council promptly evaluate expanding the enhanced incentive parking exemption availability to areas surrounding existing and planned Transit Priority Streets.*

## Land Use, Transportation and Infrastructure Committee (4/19 & 4/26)

**Continuation of committee meeting for discussion on multiple amendments.**

**22-0424:** Approval the Denver Zoning Code Text Amendment (6-1)

- Passed amendment to expand the enhanced incentive parking exemption to ¼ mile of future BRT corridors with city capital investment (6-1)

**22-0425:** Approval of legislative map amendment for 38th and Blake Incentive Overlay Area (6-1)

**22-0426:** Unanimous approval to Amend the DRMC to revise provisions related to the linkage fee, repeal existing incentives, and adopt affordable housing requirements applicable to the creation of new dwelling units with new incentives (7-0)

- Passed amendment to continue the CPI-U increase for development projects grandfathered under the existing regulations (7-0).

# Review Criteria (Text and Map)

1. Consistency with Adopted Plans
2. Uniformity of District Regulations
3. Further Public Health, Safety and Welfare

# Review Criteria (Text and Map)

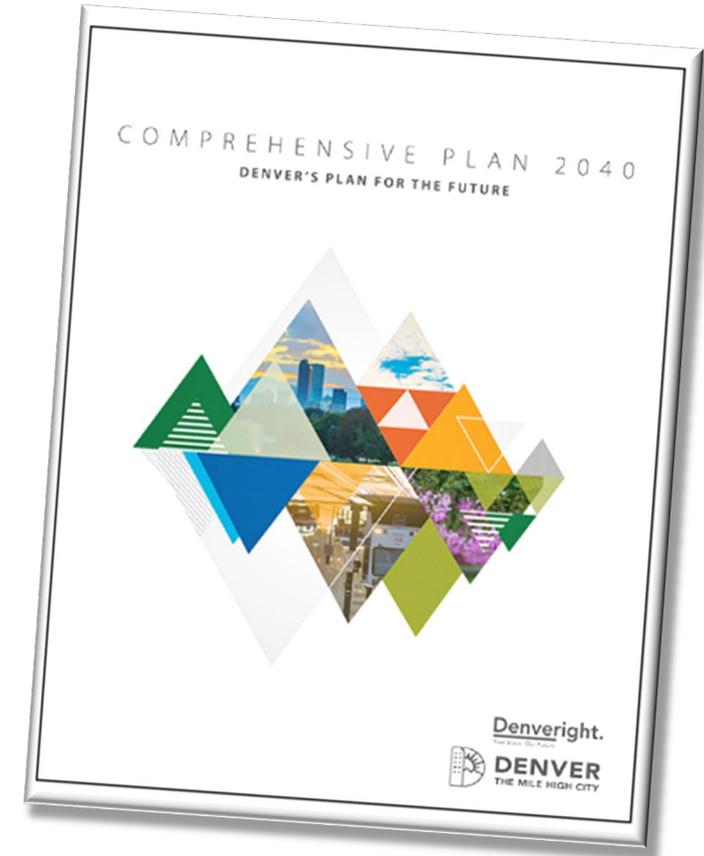
## 1. Consistency with Adopted Plans

- Denver Comprehensive Plan 2040 (2019)
- Blueprint Denver (2019)
- 38th & Blake Station Area Plan Height Amendments (2016)
- 38th & Blake Station Area Plan (2009)
- Elyria Swansea Neighborhood Plan (2015)
- Globeville Neighborhood Plan (2014)
- Northeast Downtown Neighborhoods Plan (2011)
- River North Plan (2003)
- *National Western Center Master Plan (2015)*

Map Amendment

# Comprehensive Plan 2040 (2019)

- Equitable, Affordable and Inclusive Goal 2, Strategy A – Create a greater mix of housing options in every neighborhood for all individuals and families. (p. 28)
- Equitable, Affordable and Inclusive Goal 3, Strategy B – Use land use regulations to enable and encourage the private development of affordable, missing middle and mixed-income housing, especially where close to transit. (p. 28)
- Connected, Safe, and Accessible Places Goal 8, Strategy B – Promote transit-oriented development and encourage higher density development, including affordable housing, near transit to support ridership. (p. 42)

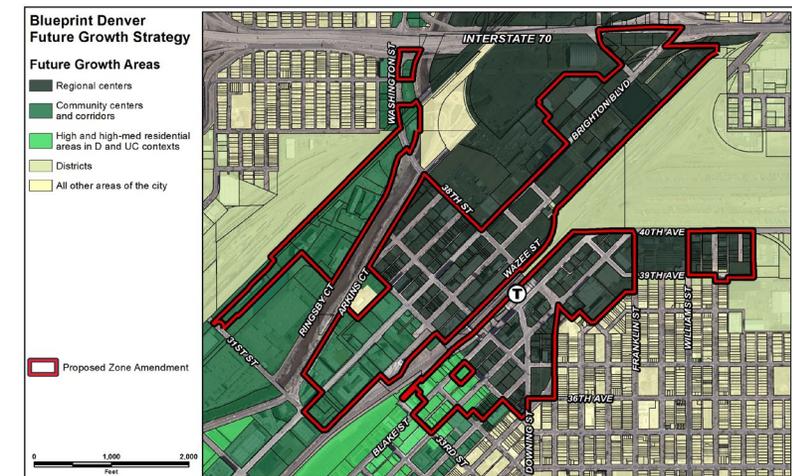
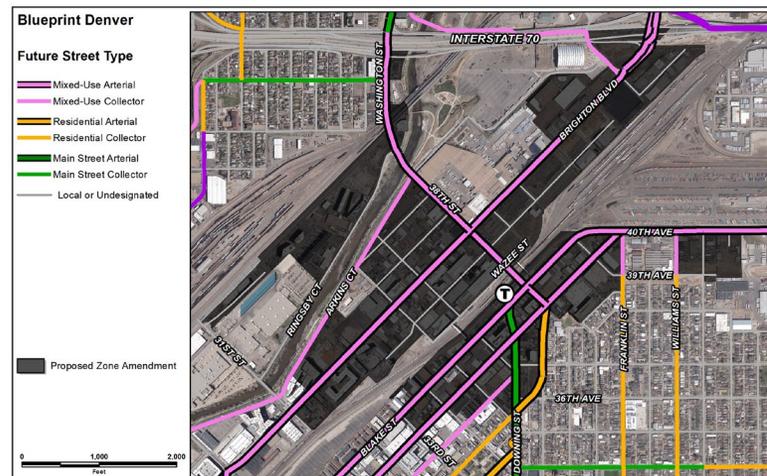
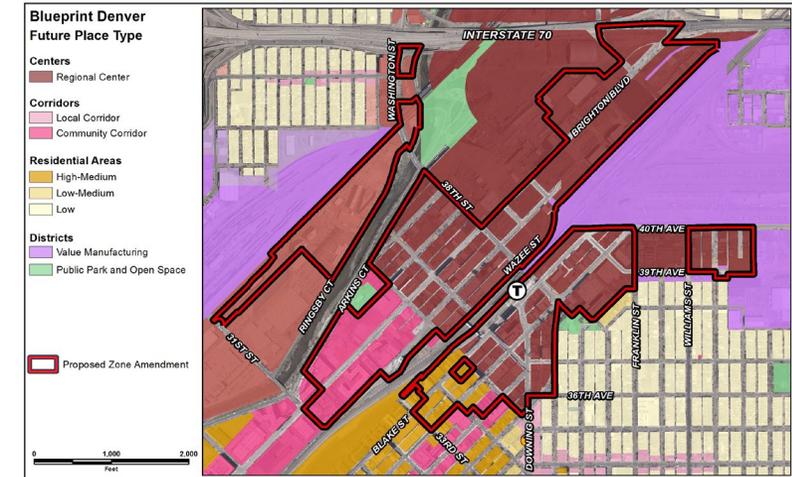
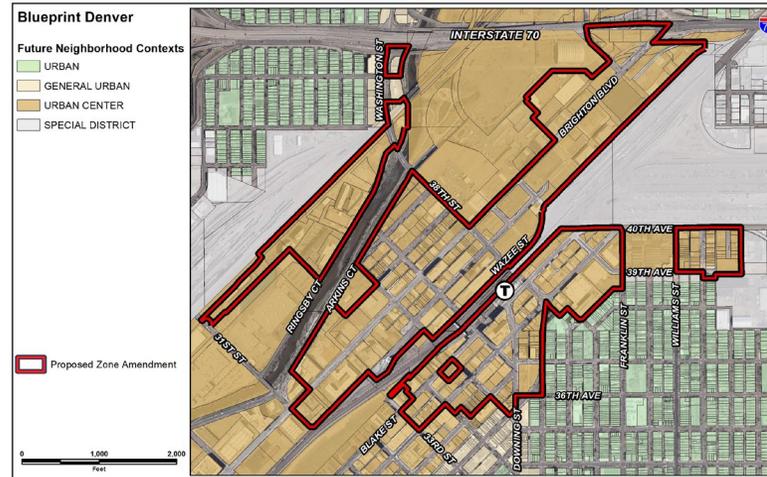


# Blueprint Denver (2019)

- Land Use and Built Form, Housing, Policy 06 - “Increase the development of affordable housing and mixed-income housing, particularly in areas near transit, services and amenities.” (p. 85)
  - **Strategy A** – “**Incentivize affordable housing through zoning**, especially in regional centers, community centers and community corridors adjacent to transit. This could include a process— informed by community input—to create citywide height bonuses in the zoning code, where additional height is allowed in exchange for income restricted units.”
  - **Strategy B** – “**Implement additional parking reductions** for projects that provide income-restricted affordable units.”
  - **Strategy C** – “**Implement other incentives for affordable housing**, such as lower building permit fees for projects that commit to a certain percentage of income-restricted units onsite.”
  - **Strategy D** – “Continue to advocate for changes to state law that **remove barriers to access affordable housing options.**”

# Blueprint Denver (2019)

- Urban Center Context
- Regional Center, Community Center/Corridor, High Medium Residential Future Places and Growth Areas
- Mixed Use Arterial, Collector and Local Streets



# Consistency with Small Area Plans Specific to 38<sup>th</sup> & Blake

## 38th & Blake Station Area Plan Height Amendments (2016)

**“Adopt a new regulatory approach to integrate affordable housing and mixed income development within the 38<sup>th</sup> & Blake Station area.”**

**“Promote taller building heights to support transit-oriented development that provides community benefits and incorporates appropriate height transitions...”**

## 38th & Blake Station Area Plan (2009)

Two “TOD (transit-oriented development) Cores” on the northwest and southeast sides of the RTD station, surrounded by blocks of mixed-use residential and mixed-use employment that step down in intensity as they get closer to single-unit residential areas.

## Elyria Swansea Neighborhood Plan (2015)

Future land use recommendation for transit-oriented development near the 38<sup>th</sup> & Blake RTD Station, including “higher density housing, services and employment opportunities near rail stations to provide for a diverse population with safe and convenient pedestrian access to rail transit.”

## Globeville Neighborhood Plan (2014)

Recommendation 4: Improve Access to Jobs, Housing, Neighborhood Services and Education, Strategy B14D Build More Housing Units

## Northeast Downtown Neighborhoods Plan (2011)

## River North Plan (2003)

# Review Criteria (Text and Map)

1. Consistency with Adopted Plans
2. Uniformity of District Regulations
3. Further Public Health, Safety and Welfare

# Staff Recommendation

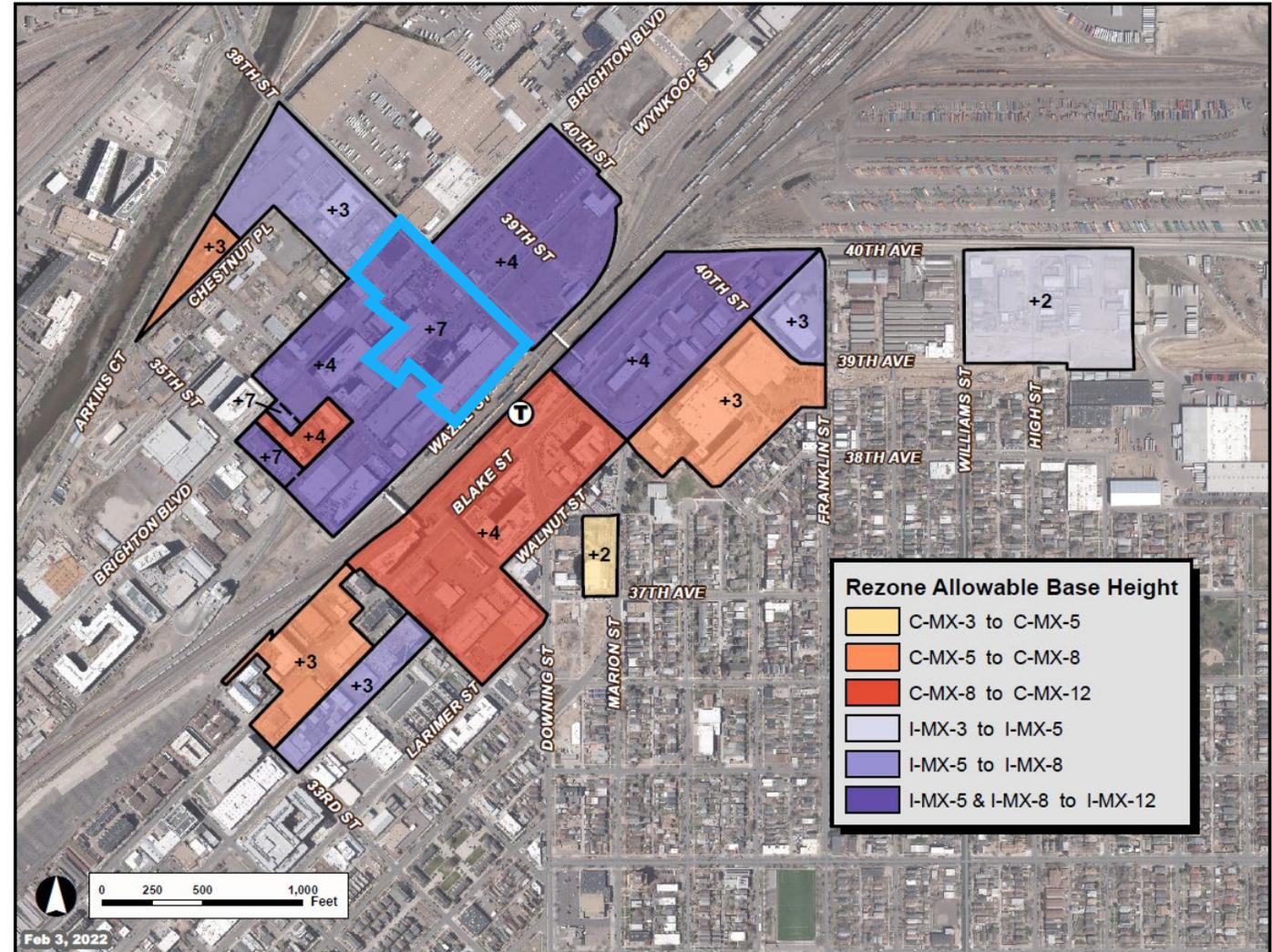
CPD staff recommend approval of the Text Amendment to the Denver Zoning Code.

CPD staff recommend approval of Map Amendment proposal #2022I-00029 rezoning multiple properties in the 38<sup>th</sup> & Blake station area.

HOST and CPD staff recommend approval of the Denver Revised Municipal Code amendment to revise Chapter 27 with the associated amendments approved in Committee.

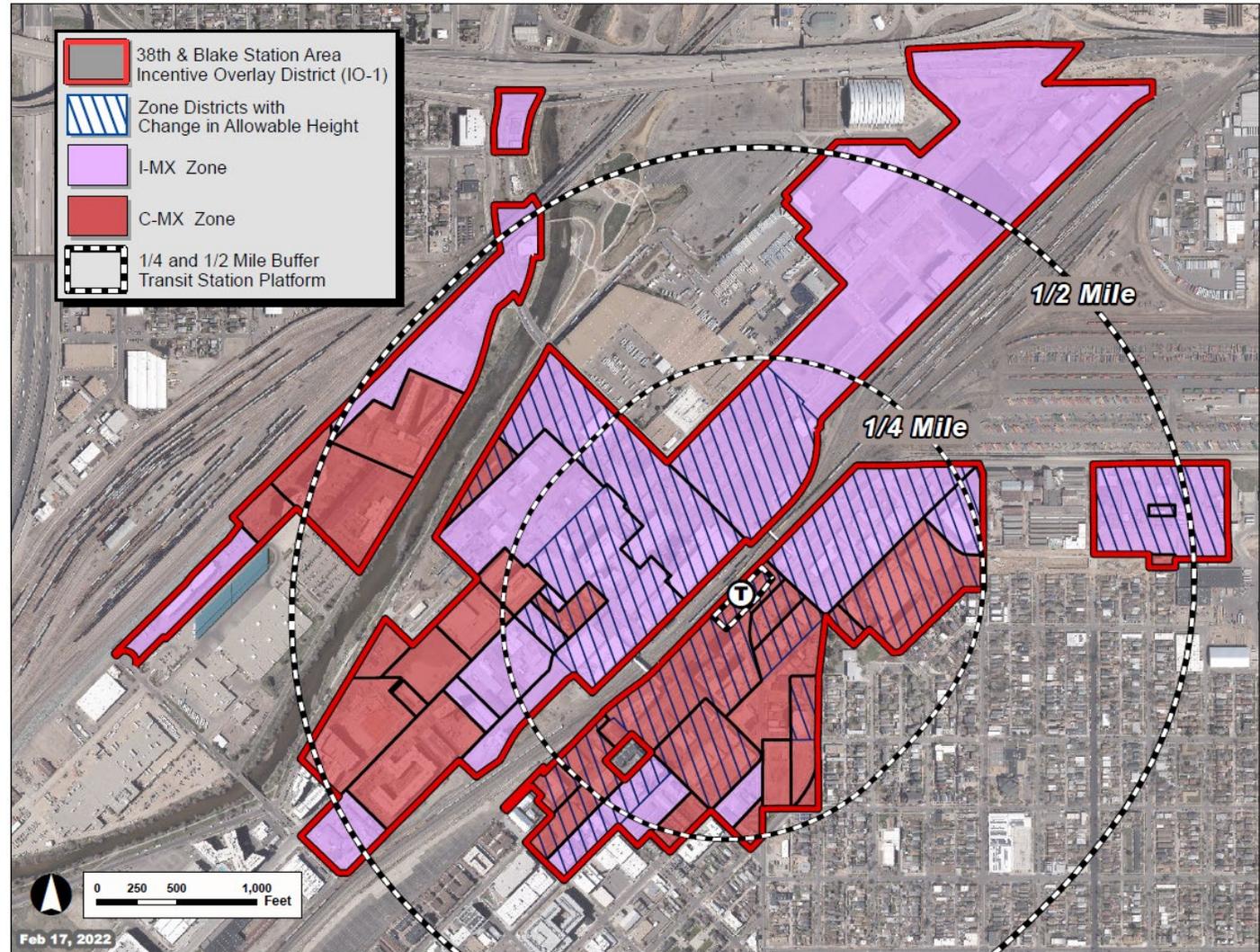
# Proposed Base Height Adjustments

- Majority of rezoning area has no change in base height
- Area with largest change in base height (5 stories to 12 stories) is only 4% of total and nearest to the rail station
- **EHA mandatory affordable housing standards apply to all projects (base and incentive)**



# Non-Residential Projects near 38<sup>th</sup> & Blake

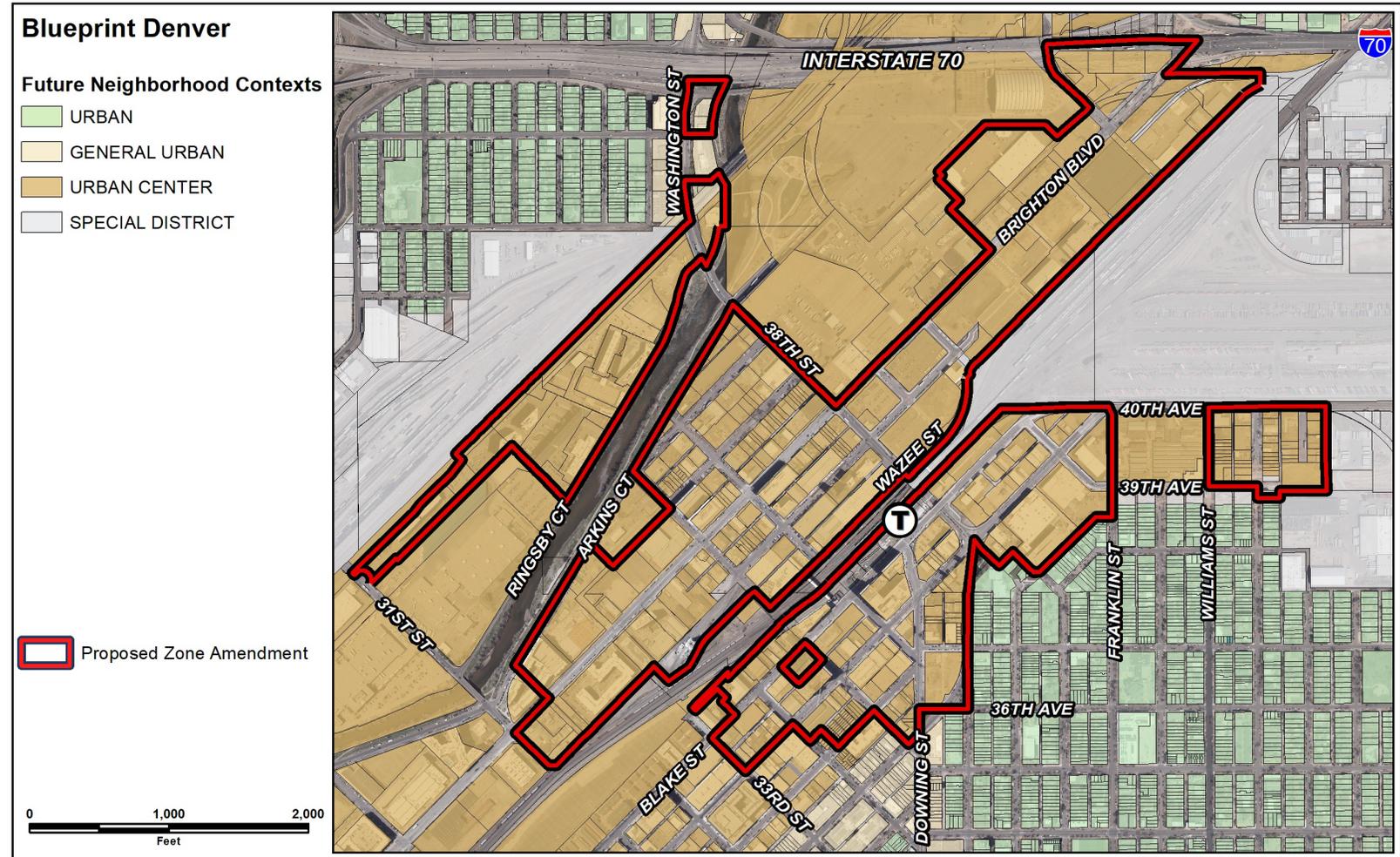
- Existing overlay allows non-residential projects to pay a fee in exchange for the existing height incentive
- **Under EHA, Urban Center (C-) zone districts within 1/2 mile of rail stations can pay higher linkage fees to access incentive height**



# Blueprint Denver (2019)

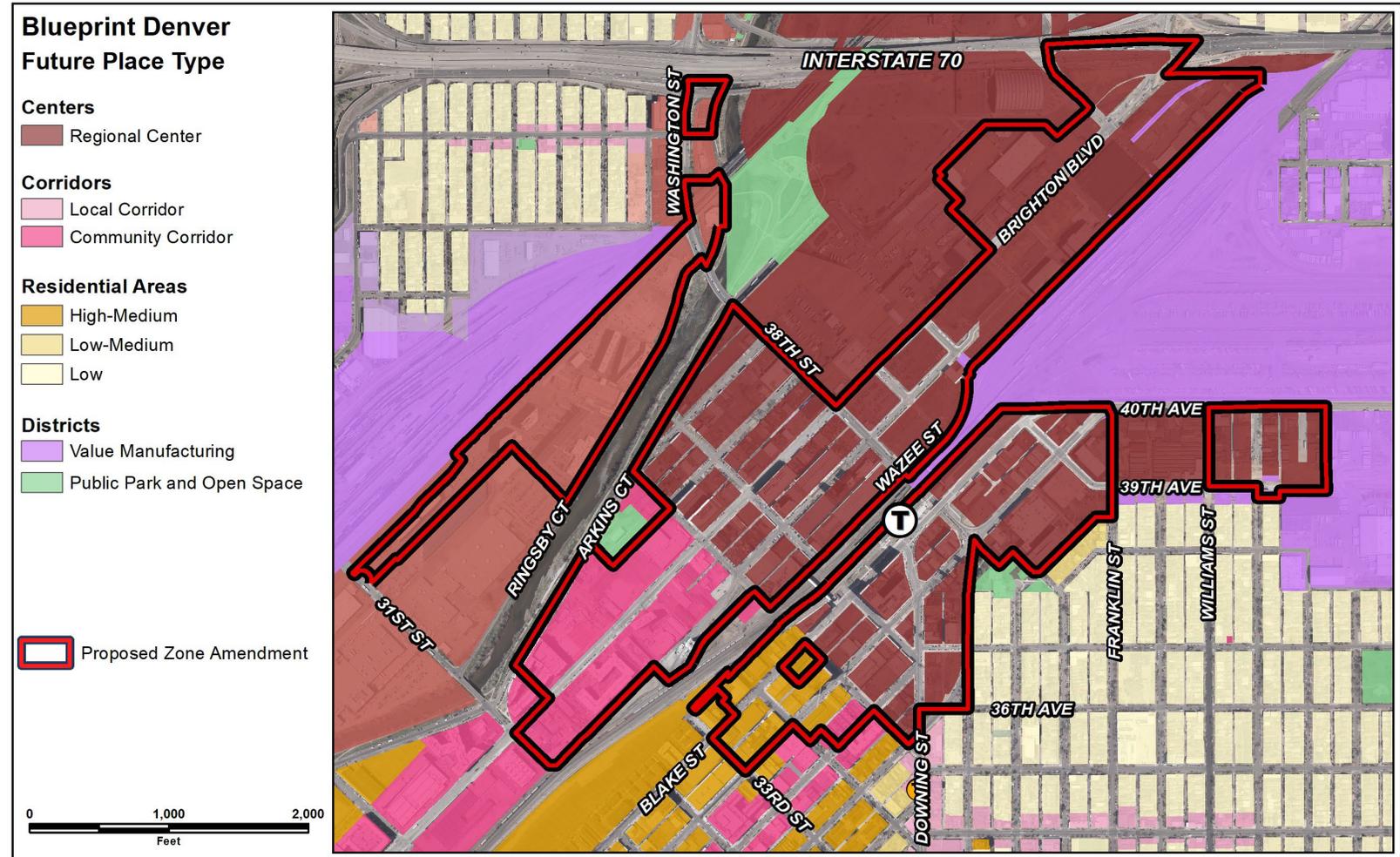
- **Urban Center Context**

- Dense and vibrant areas that support residents and visitors
- High intensity residential and significant employment areas ... a substantial mix of uses, with good street activation and connectivity
- Served by high-capacity transit and access to ample amenities and entertainment options



# Blueprint Denver (2019)

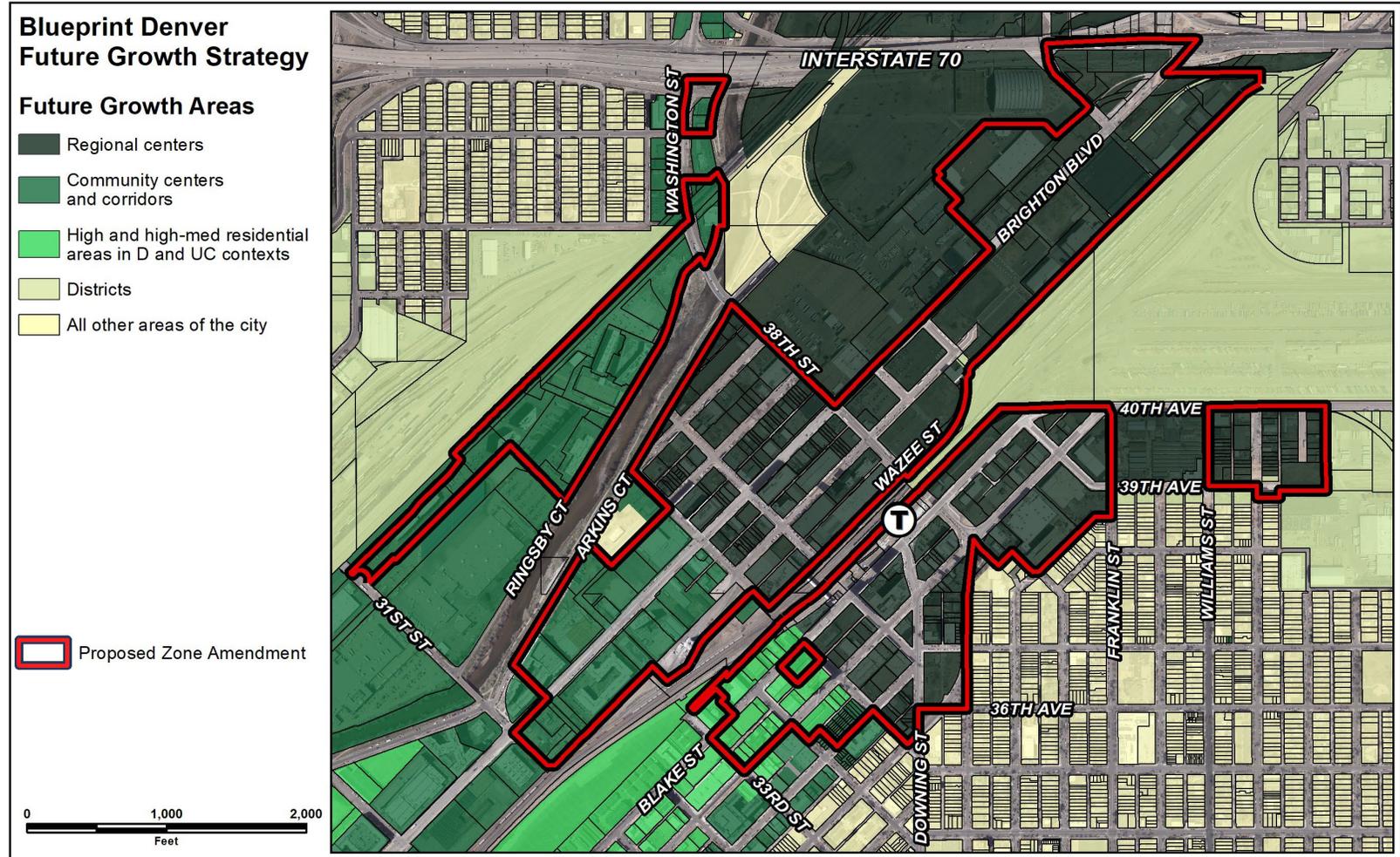
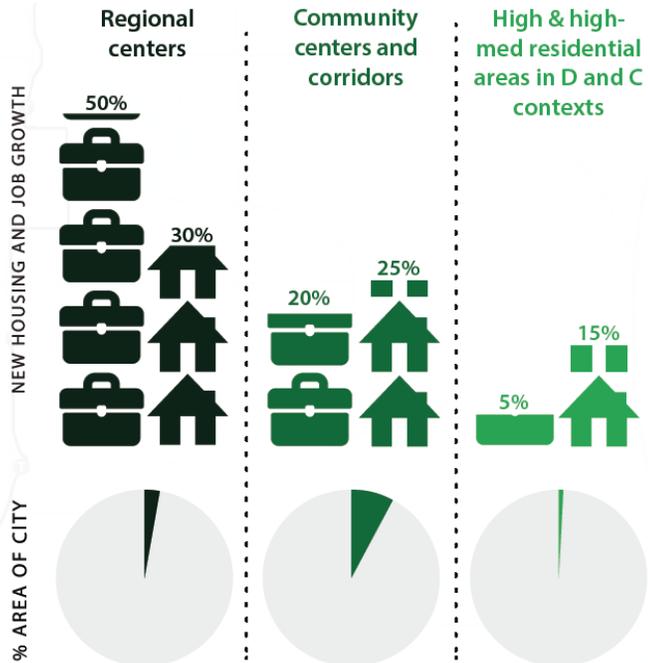
- **Future Places**
  - **Regional/Community Center**
    - Heights are generally the tallest in the context and transition gradually within the center to the surrounding residential areas.
  - **Community Corridor**
  - **High-Medium Residential**
  - A high mix of uses and a dynamic environment of living, dining, entertainment, shopping, and employment



# Blueprint Denver (2019)

## ● Growth Strategy

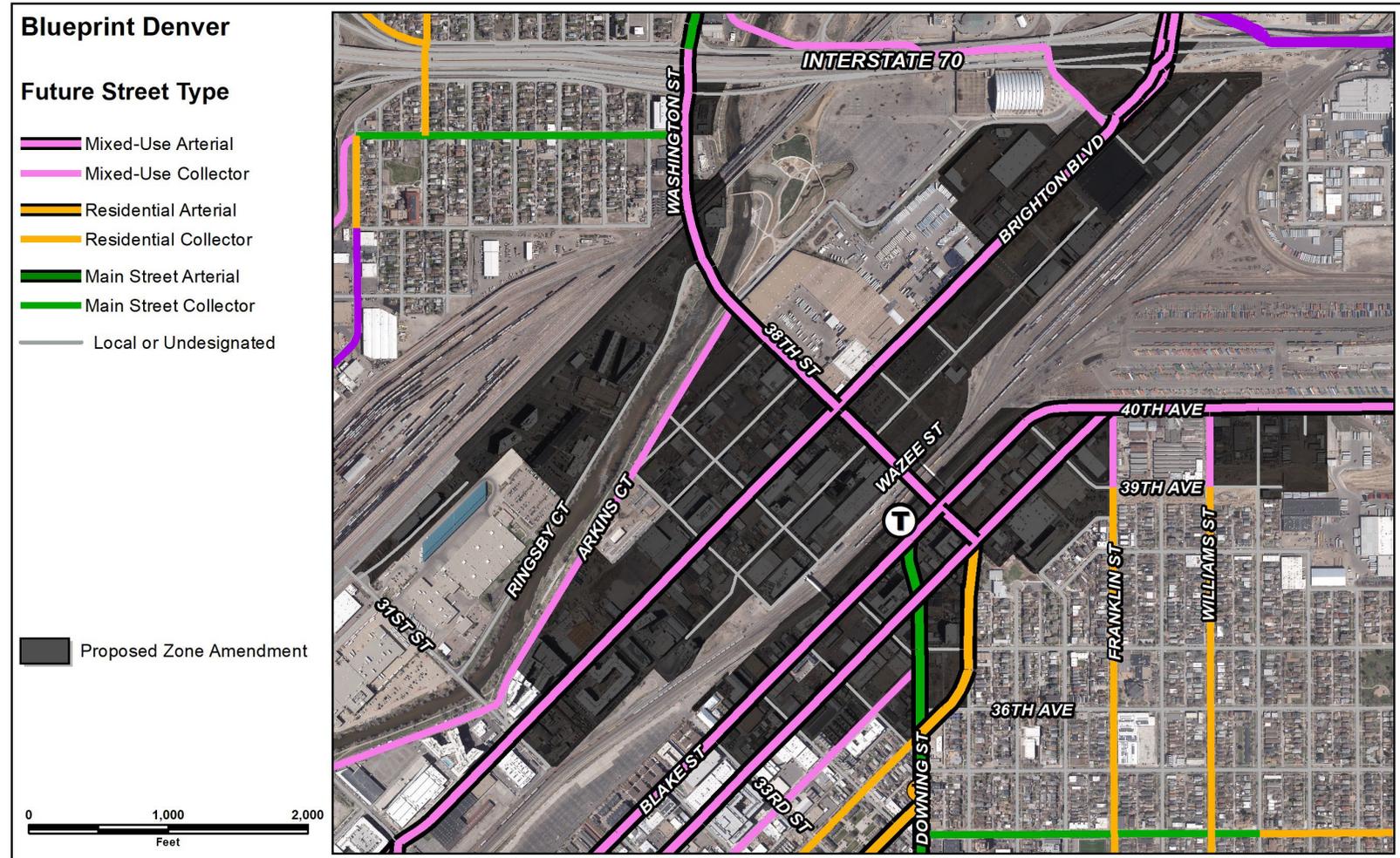
- Regional Center
- Community Center/Corridor
- High-Medium Residential in Urban Center Context



# Blueprint Denver (2019)

- **Future Street Types**

- Primarily Mixed Use Arterial, Collector, and Local Streets
- Some Main Street and Residential Arterial
- Pedestrian Enhanced Areas (all)
- Bicycle Priority (Brighton, Arkins, Blake, 36<sup>th</sup>, 38<sup>th</sup>)



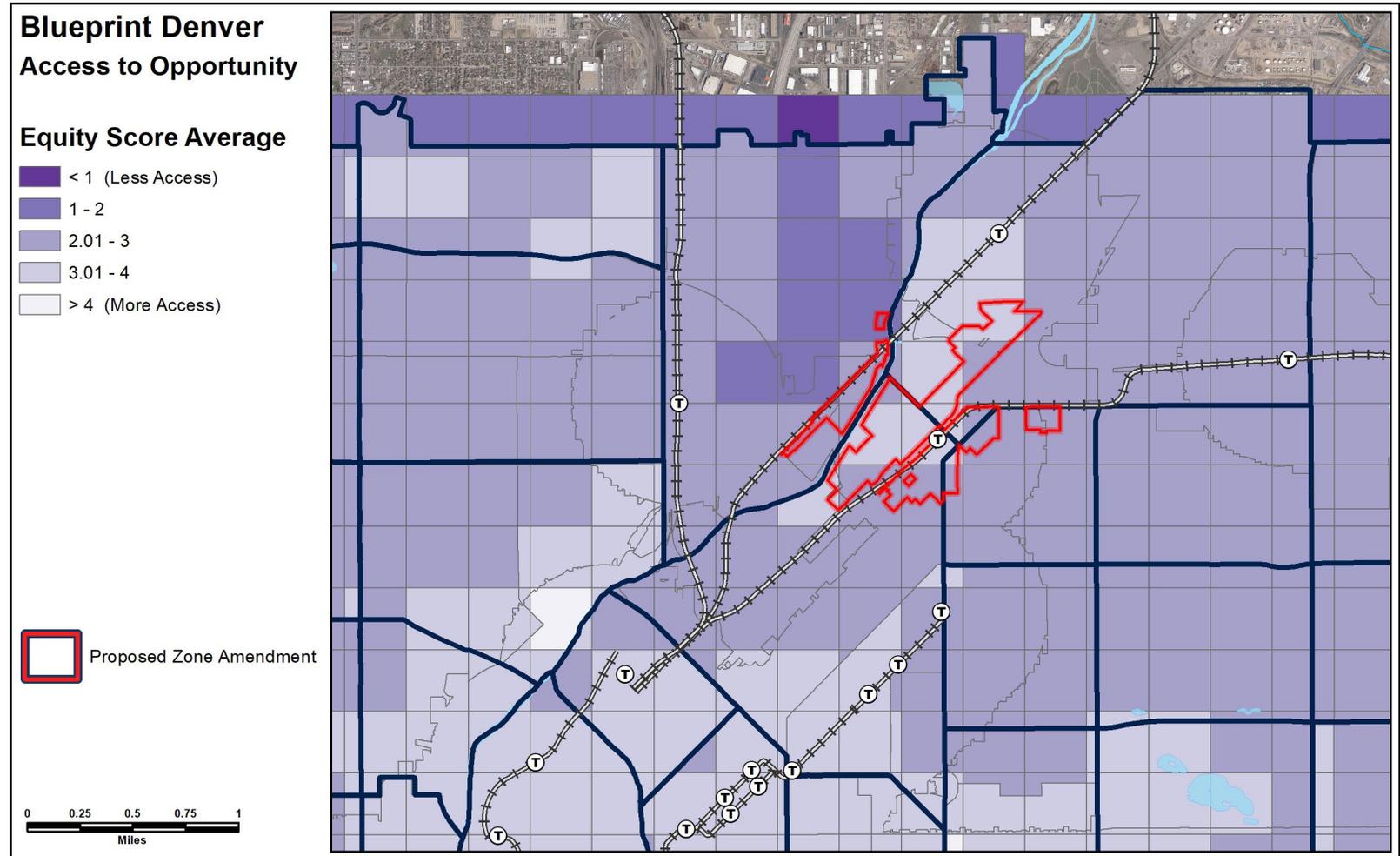
# Blueprint Denver (2019)

- **Access to Opportunity**

- Average Access

- Equity Index
- **Proximity to Transit**
- Access to Centers and Corridors

- Low access to parks and grocery stores

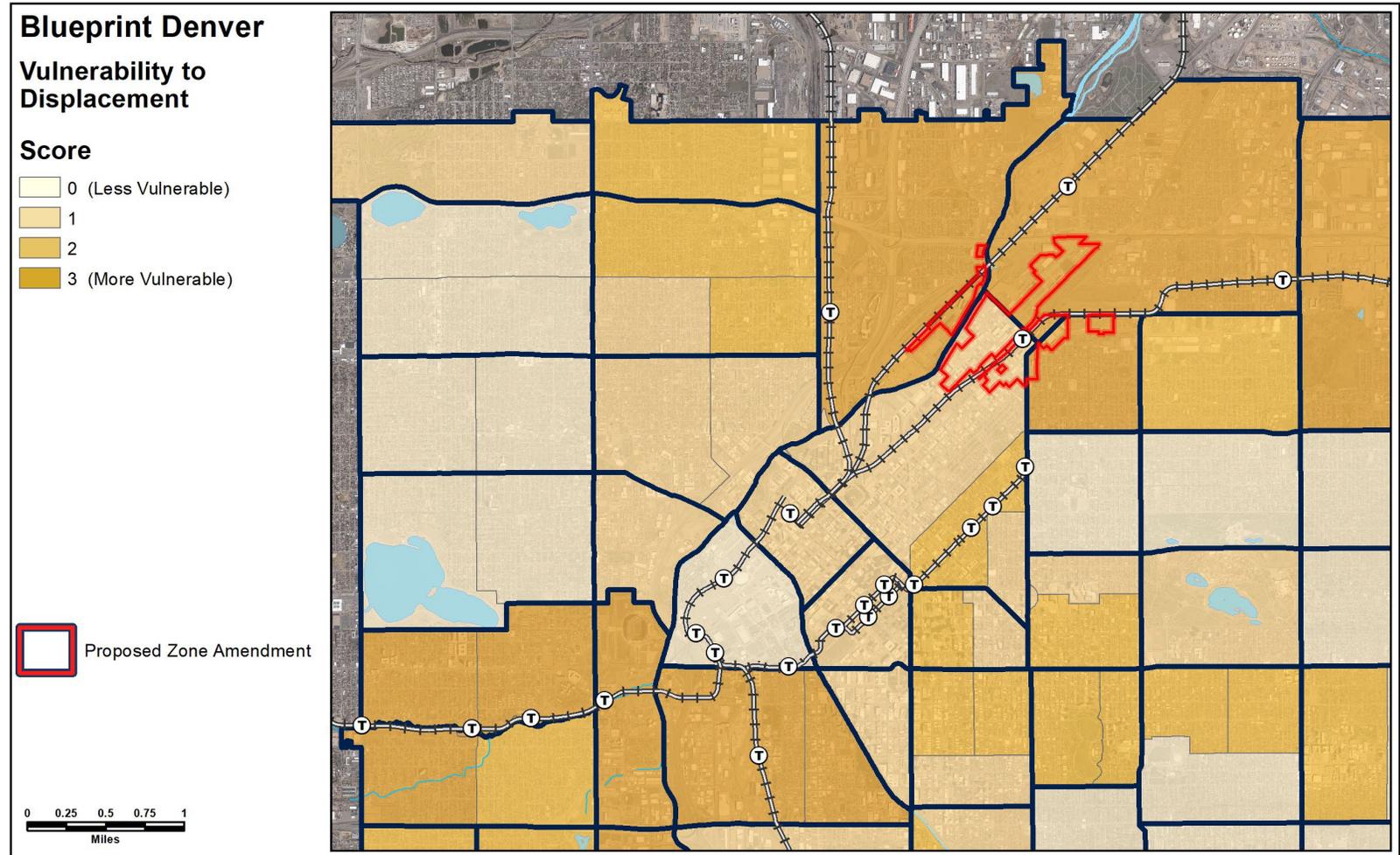


# Blueprint Denver (2019)

- **Vulnerability to Displacement**

- Moderately to More Vulnerable

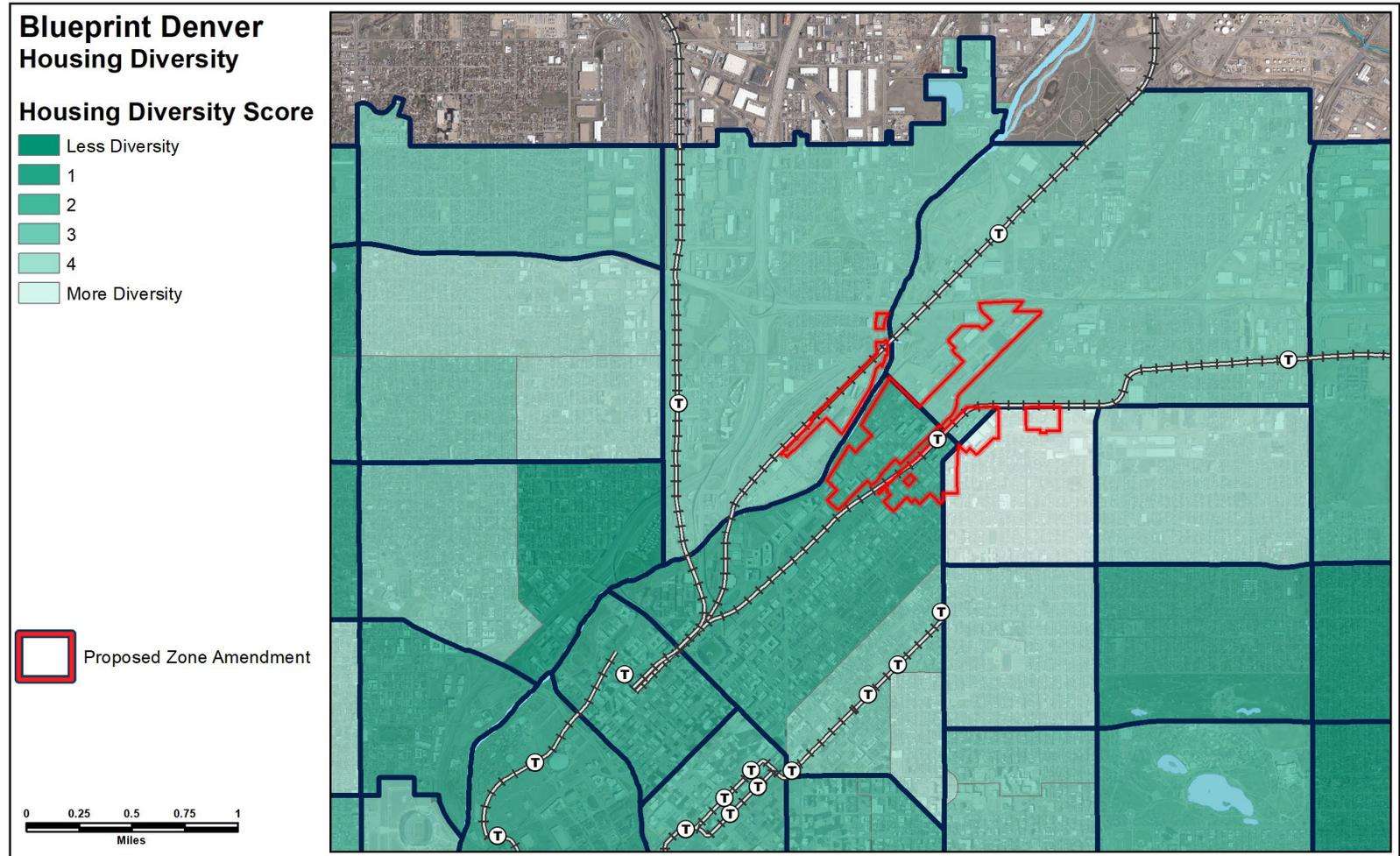
- Lower median household income
- Higher percent of renters
- Lower educational attainment



# Blueprint Denver (2019)

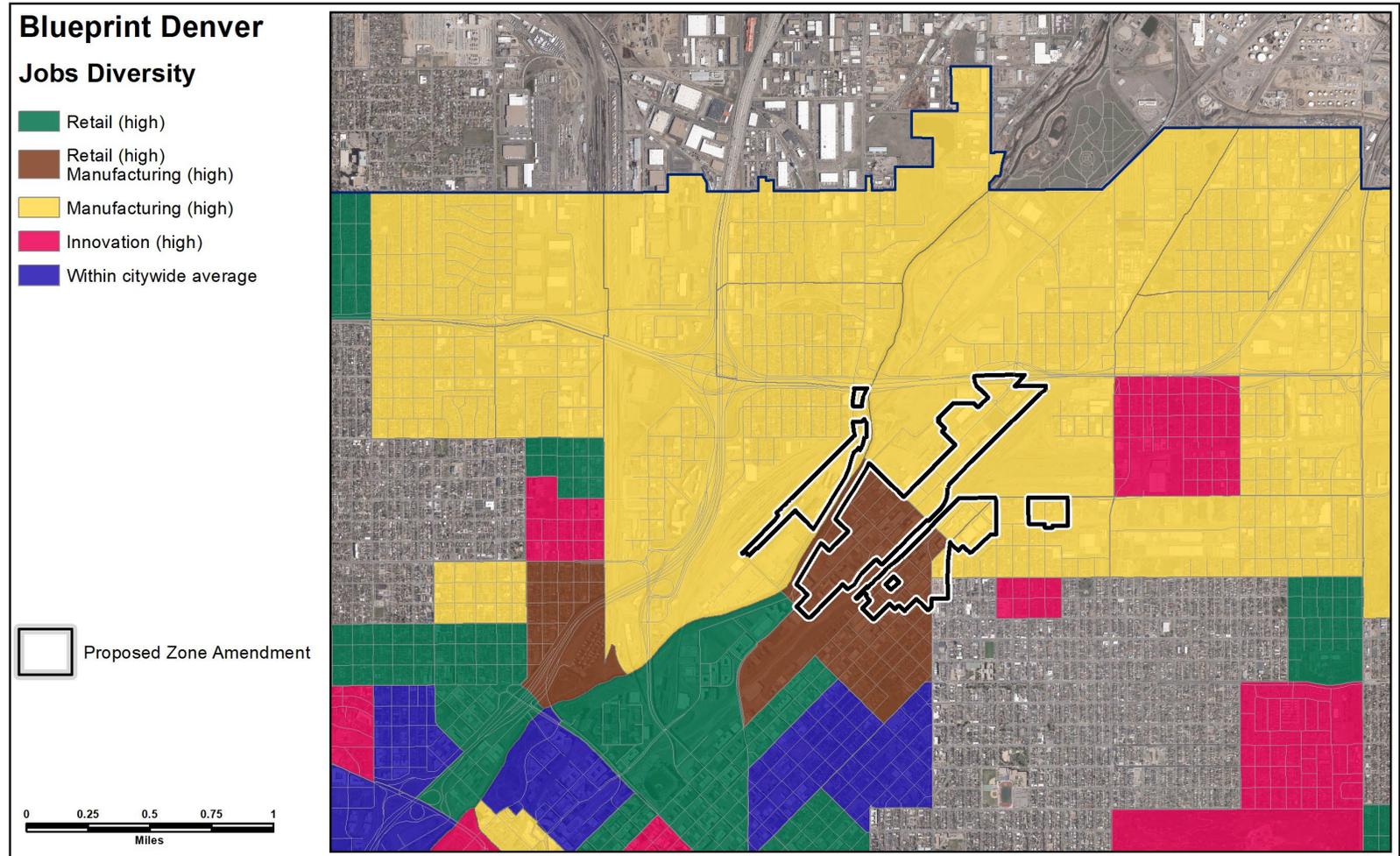
- **Housing Diversity**

- Low to Moderate Diversity
  - Lack of middle-density housing
  - Low home size diversity
  - High percentage of renters
  - High housing costs



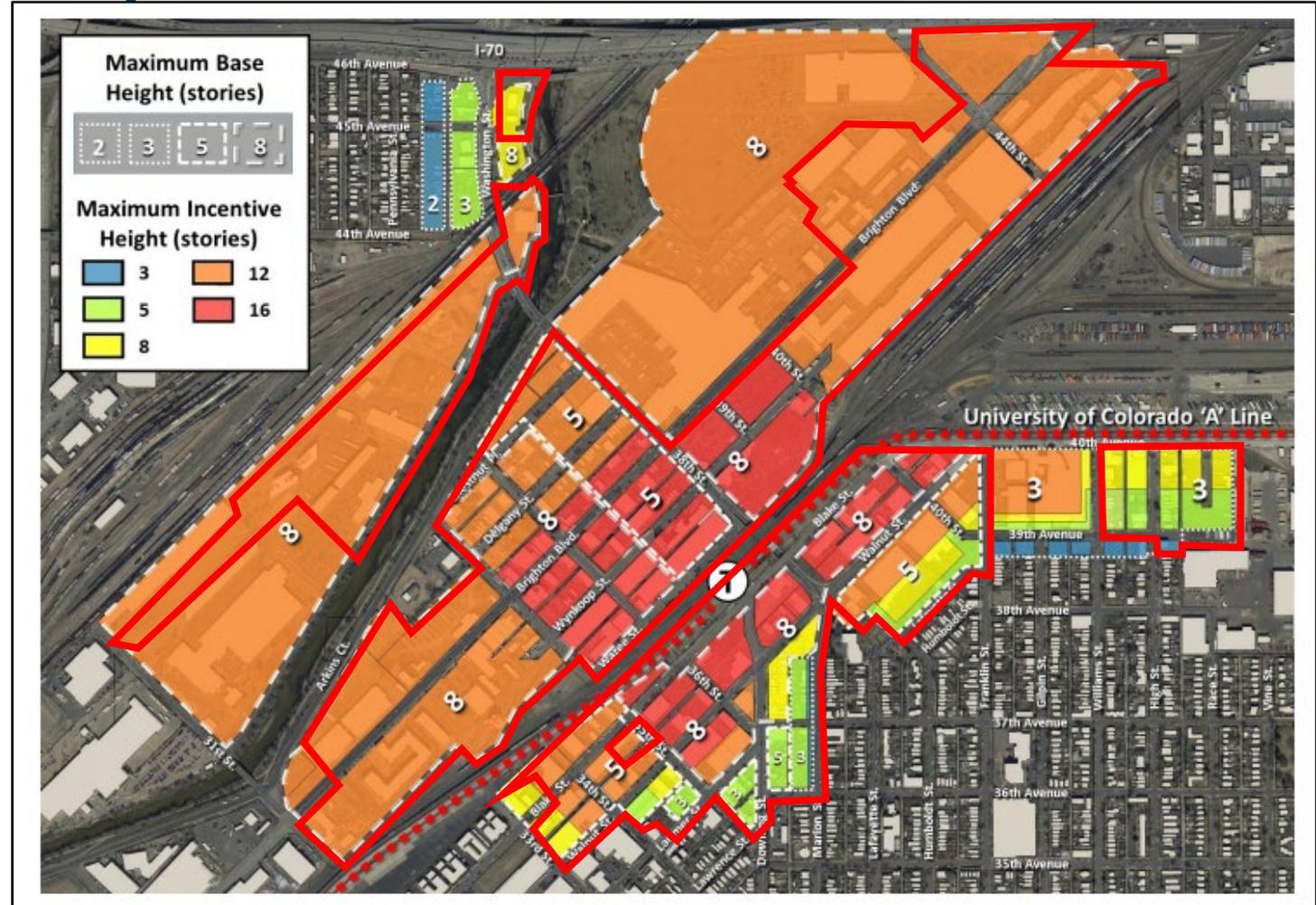
# Blueprint Denver (2019)

- **Jobs Diversity**
  - More diversity in Retail and Manufacturing



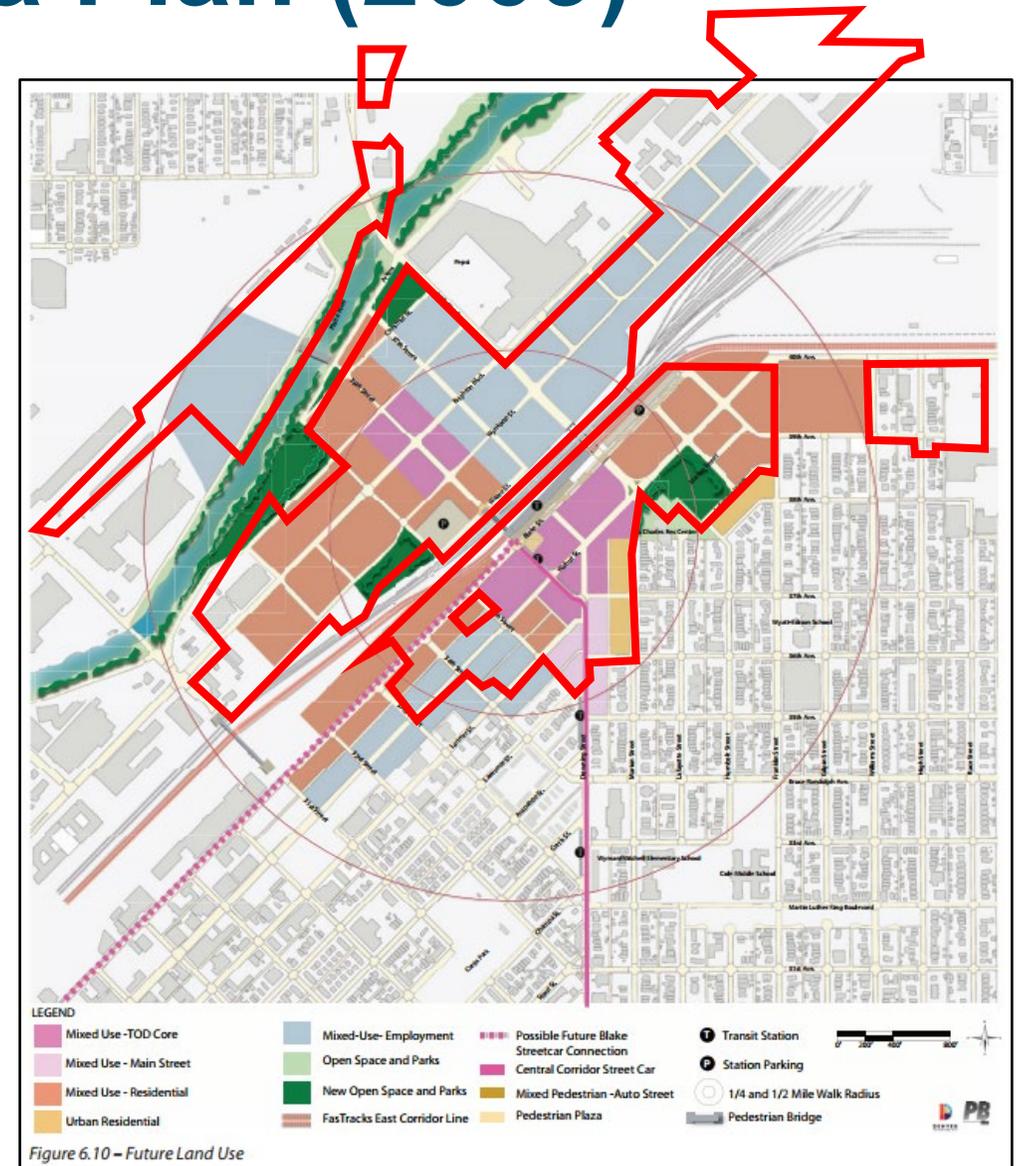
# 38<sup>th</sup> & Blake Station Area Height Amendments (2016)

- “Promote taller building heights to support transit-oriented development that provides community benefits and incorporates appropriate height transitions...”
- “Adopt a new regulatory approach to integrate affordable housing and mixed income development within the 38<sup>th</sup> & Blake Station area.”
- “Adopt zoning map amendments to rezone properties within the 38th & Blake study area, consistent with the height and regulatory recommendations of this plan.”



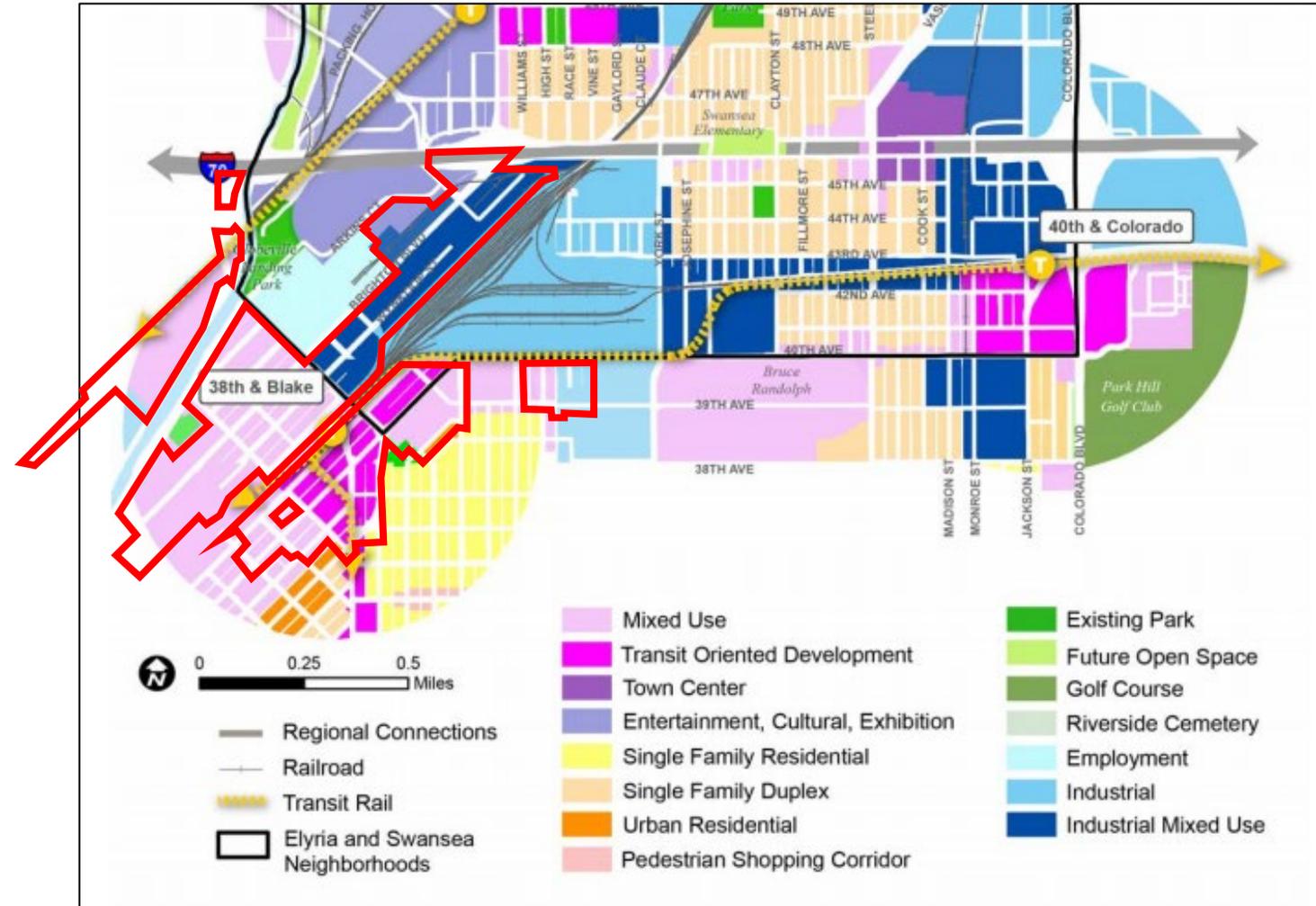
# 38<sup>th</sup> & Blake Station Area Plan (2009)

- Two “TOD (transit-oriented development) Cores” on the northwest and southeast sides of the RTD station, surrounded by blocks of mixed-use residential and mixed-use employment that step down in intensity as they get closer to single-unit residential areas.
- Provision of financial incentives to include flexible zoning provisions and density bonuses.
- Availability of equitable housing and transportation choices.



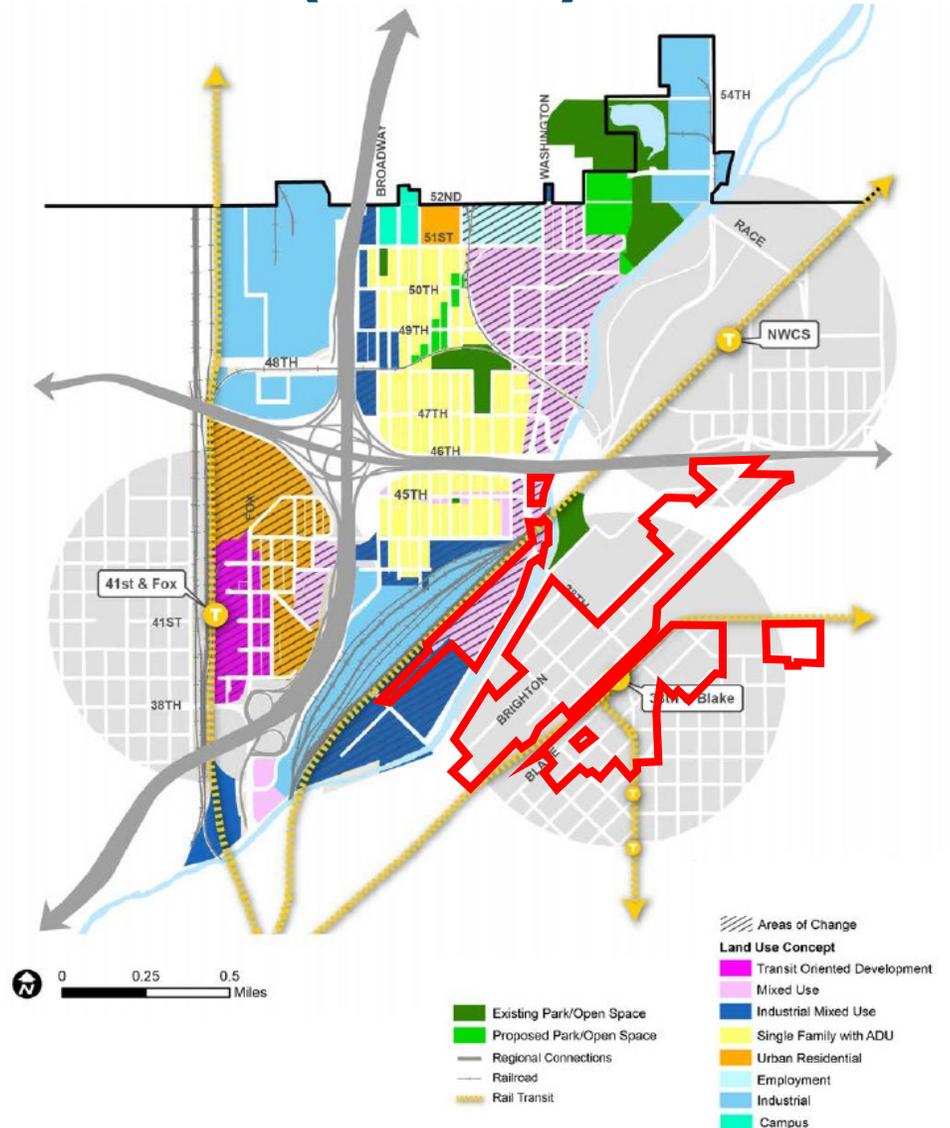
# Elyria and Swansea Neighborhood Plan (2015)

- Future land use recommendation for transit-oriented development near the 38<sup>th</sup> & Blake RTD Station, including “higher density housing, services and employment opportunities near rail stations to provide for a diverse population with safe and convenient pedestrian access to rail transit.”



# Globeville Neighborhood Plan (2014)

- Recommendation 4: Improve Access to Jobs, Housing, Neighborhood Services and Education, Strategy B14D Build More Housing Units – “Support the efforts of organizations such as Habitat for Humanity, Denver Housing Authority, and other affordable housing providers in building new homes within Globeville.”



# Northeast Downtown Neighborhoods Plan (2011)

- “As one travels from Ballpark to the northeast into RiNo, the **land use mix changes and becomes much more industrial and eclectic**. This is especially true northeast of 24th Street. In this area, the future land use map shows “**mixed use-industrial**” as the predominant land use category for RiNo. Northeast of 35<sup>th</sup> Street, the future land use designation is “**transit oriented development**”, in support of the commuter and light rail station that is planned at 38th & Blake.”

# River North Plan (2003)

- “Promote the development of affordable housing in the TOD district.”
- “Provide a range of housing options.”

