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# Affordable Denver Fund

New Updates and Changes

# New Revenue for Affordable Housing

## Source:

0.5% Sales Tax (5 cents on a \$10 purchase)

## Revenue:

This would require voter approval and generate approximately \$100 million annually.

## Sales Tax:

Visitors estimated to pay 35%

Estimated impact to consumers is \$2 per week

Essential items such as food, medicine, feminine hygiene products and fuel are excluded

# Needs Assessment Released: DRCOG

AMI	Unit Count	City	% of Need Under 100% AMI
0-30%	20700	Denver	47%
30-60%	13500	Denver	31%
60-80%	2560	Denver	6%
80-100%	7230	Denver	16%
<b>Total Affordable</b>	<b>43990</b>		
100-120%	2530	Denver	
120%+	8410	Denver	

# Changes Reflected in Ordinance

1. Denver, not Denver Region
2. Clarify the ordinance references both rent and homeownership
3. Ensure housing is compliant with the Americans with Disabilities Act (ADA)
4. Restrict use of funds for demonstrated community need
5. Eliminate confusion, clarify AMI levels, ensure long-term supply, prevent displacement
6. Ensure preservation of housing, eliminate examples
7. Include mixed-income projects as a permitted use, maintain balance with low-income units
8. Ensure compliance with long-term affordability standards
9. Set a cap on administrative costs
10. Council approval of spending plan
11. Require reporting on how fund expenditures addressed housing needs
12. Review of the fund
13. Denver Housing Needs Assessment to be completed by January 1, 2028

# Reporting

Mirrors the reporting requirements and the structure of the current Homeless Resolution Fund with oversight by the Housing Stability Strategic Advisors (HSSA)

HOST Executive Director shall produce a "Denver Housing Needs Assessment Study" and report the findings and any recommendations to City Council no later than 1/1/2028. The Study shall serve as guidance for areas with the greatest demonstrated community needs to be targeted under this section. The study shall be periodically updated as needed.

HSSA membership composition to be evaluated and amended to reflect the needed participants for oversight, including Councilmembers

# Planning



By January 31, 2025, HOST & DoF shall prepare a first year-plan for use of the funds



City/Housing Stability Strategic Advisors (HSSA) will take public input on the plan



Future planning included in HOST Annual Action Plan with HSSA oversight per ordinance

# Timeline



# Housing Resources

## Affordable Housing Fund

- Formed in 2016
- Generates approx. \$42m per year
- Rental @ 80% and below
- Ownership @ 100% and below
- Unit development/preservation
- Eviction prevention, rent/mortgage/utility assistance, legal defense

## Homeless Resolution Fund

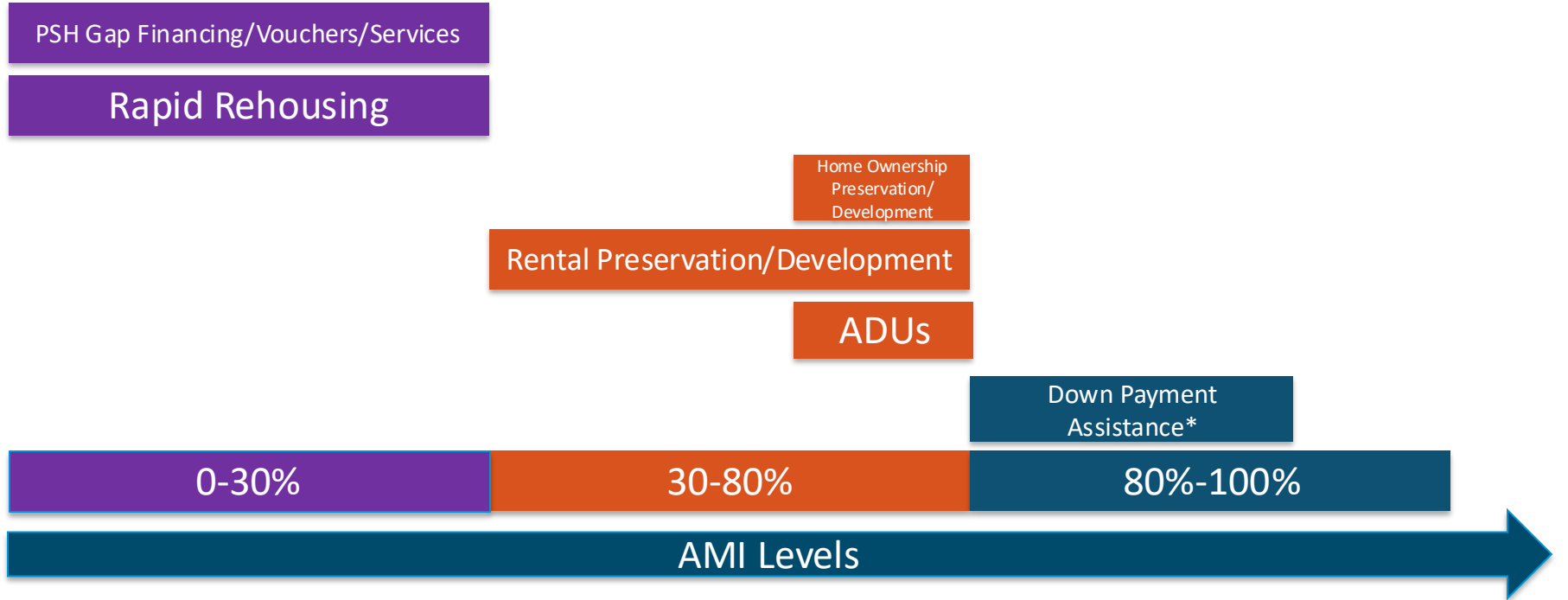
- Formed in 2020
- Generates approx. \$50m per year in sales tax
- Dedicated to services, supports and housing for those experiencing or exiting homelessness
- 2024 recommended \$11,086,021 on development, preservation, and housing assistance

## Affordable Denver Fund

- Proposed .5% sales tax
- Supports gaps at all levels of AMI
- Dedicated funding for acquisition, preservation, and building of affordable units
- Expands home ownership opportunities
- Expands rental supports and vouchers

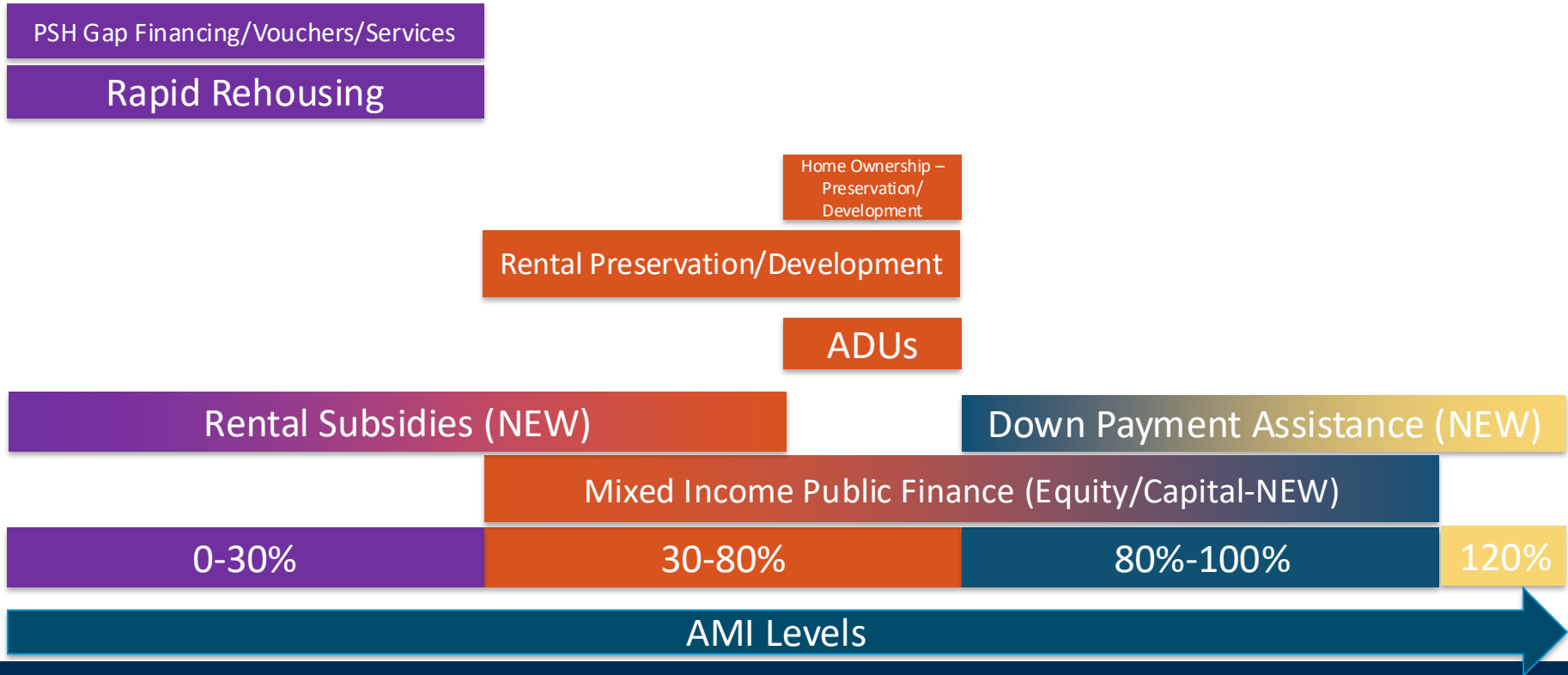


# Current Housing Resources



\*Program allows up to 150% but functionally serves 80-90% average AMI

# Affordable Denver Housing Resources



# Peer City Research

City	Budget Year	Amount of Funding
Boston	FY 2025	<b>\$380.4</b> million in city funding; \$111 million in external funding
New York City	FY 2025	<b>\$2 billion</b> in capital funding over the next two years to support the creation and preservation of more affordable housing
San Francisco	FY2024-2025	Community Investment and Infrastructure: <b>\$342.9 million</b> for affordable housing; Department of Homelessness and Supportive Housing: <b>\$508.1 million</b>
Seattle	2024	<b>\$600 million</b> for affordable housing across the next two years

# Summary of Affordable Denver Fund

- Historic opportunity to create affordability across housing spectrum
- Puts us on a path to fill a growing housing affordability gap, starting immediately
- Expands existing tools and creates additional opportunities
- Addresses Council's budget priorities
- Addresses a top priority for Denverites

# Stakeholder Outreach & Input

- Archway Communities
- Brothers Redevelopment
- Catholic Charities
- Colorado Coalition for the Homeless
- Colorado Division of Housing
- Colorado Housing Accelerator Initiative (CHAI)
- Columbia Ventures
- Community Solutions
- Continuum Partners
- Denver Foundation
- Denver Housing Authority
- Denver Rescue Mission
- Downtown Denver Partnership
- Elevation Land Trust
- Elmington Capital
- Enterprise Community Partners
- Fax Partnership
- Gary Community Investment
- Gorman & Co.
- Habitat for Humanity
- Hispanic Contractors of Colorado
- Homeless Leadership Council
- HOST Strategic Advisors
- Mercy Housing
- Mile High Development Neighborhood Development Collaborative
- Northeast Denver Housing
- Northeast Development Collaborative
- Pennrose
- Rocky Mtn Communities
- Rose Community Foundation
- Thrive Economics
- Ulysses Development Group
- Urban Land Conservancy
- Urban Peak
- Urban Ventures
- Volunteers of America

Note: Stakeholdering included group briefings, one-on-one conversations and email exchanges.

# Supporting Organizations

- Archway Communities
- Burgess Community Development
- **Colorado Coalition for the Homeless**
- Colorado Men of Color Collaborative
- Colorado Black Chamber of Commerce
- Colorado Black Women for Political Action
- Denver Dream Center
- **Denver Housing Authority**
- **Downtown Denver Partnership**
- **Enterprise Community Partners**
- Featherstone Development
- Goshen Development
- **Habitat for Humanity**
- IBEW Local 68
- Inner City Health
- Interfaith Alliance of Colorado
- Juneteenth Music Festival
- Mercy Housing
- Mile High Development
- Montview Presbyterian Church
- Native American Housing Circle
- **Neighborhood Development Collaborative**
- Northeast Denver Housing Center
- Open Door Ministries
- Pennrose
- Second Chance Center
- Senior Housing Options
- Servicios de la Raza
- **St. Francis Center**
- **Teamsters Local 17**
- **Ulysses Development Group**
- Urban Land Conservancy
- **Urban Peak**
- WellPower
- Zocalo Community Development

# Supporting Individuals

- Cathy Alderman
- Hon. Polly Baca
- John Bailey
- Veronica Barela
- Dr. Josh Barocas
- Pastor Clover Reuter Beal
- Makisha Boothe
- Dana Bryson
- Jonathan Cappelli
- Christina Carlson
- Dr. Carl Clark
- Dr. Angelic Cole
- State Sen. James Coleman
- Haroun Cowans
- Bishop Jerry Demmer
- Melanie Lewis Dickerson
- Bianka Emerson
- Ted Featherstone
- Charles Gilford
- Jaime Gomez
- Nita Gonzales
- Rudy Gonzales
- Barbara Grandjean
- Ismael Guerrero
- Norman Harris
- Rich Harris
- Anna Jo Haynes
- Rev. Terri Hobart
- Vennita Jenkins
- Jeff Johnson
- Randy Kilbourn
- Charlie Knight
- Heather Lafferty
- Eric Lazzari
- Bryan Leach
- State Rep. Javier Mabrey
- Katie March
- Kevin Marchman
- Hon. Ramona Martinez
- Dr. Thomas Mayes
- James Mejia
- Elizabeth Munoz
- Gloria Neal
- Lisa Nguyen
- Virginia Ortiz
- Shara Smith
- George Thorn
- Pastor Bryan Sederwall
- Jamie Van Leeuwen
- David Warren
- Ken Weil
- Maya Wheeler
- David Zucker



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# Questions?



# Appendix

# Administration

- Administered by the Department of Finance
- If funds are not expended, monies must remain in the Fund to be expended in subsequent fiscal years
- Any interest earned on the balance of the fund accrues to the Fund

# Intended Purpose

## Increase Supply

Increase the supply of affordable housing units, for both renters and homeowners, through production, preservation, financing, acquisition or any other method;

## Financial Support

Provide financial and service-related assistance to renters and other person in need of housing; and

## Ownership

Support homebuyer assistance programs and programs to reduce housing costs for homeowners including by way of example, down payment assistance and mortgage assistance, property tax assistance, and community land trusts.

# Affordable Denver Strategies

## Extremely Low-Income Rental

- Local Vouchers
- Rental Subsidies
- Expanding Gap Financing
- Preservation

## Low Income Rental

- Acquisition
- ADUs
- Expanding Gap Financing
- Preservation

## Middle Income Rental

- Mixed Income Public Finance Tools:  
Concessionary Equity & Revolving Construction Loan Fund

## Ownership

- Down Payment Assistance
- Deed Restriction & Land Trust
- Preservation

While comprehensive, this list is not meant to be exhaustive. The City will continue to determine the most effective strategies at each AMI level as part of the stakeholder process and through the creation of the Year-One Plan due to Council by January 31, 2025.

# Potential First Year Investments

- Invest in affordable units currently stalled
- Provide additional gap financing for projects receiving other subsidies
- Preserve more affordable units immediately
- Implement acquisition strategy
- Expand voucher program for supportive housing
- Increase the number of rental subsidies
- Extend down payment assistance

Note: Actual plan creation will be refined during formal stakeholder and public input process ahead of January 31, 2025 deadline.

# Additional Citywide Strategies

- In addition to more resources, we must continue our work to:
  - **Continue decreasing permitting time** and implement lessons learned from AHRT
  - Examine **zoning changes** and available **policy levers**
  - Determine necessary changes/**update policy tools** such as Expanding Housing Affordability (EHA)
  - Continuing to **maximize and leverage our partnerships**, federal, state, and local funding sources

# Ballot Language

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

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

- PROVIDING MORE AFFORDABLE RENTAL HOUSING AND REDUCING RENT; AND
- PROVIDING MORE AFFORDABLE HOMES FOR PURCHASE AND PROGRAMS TO REDUCE THE COST OF BUYING A HOME;

AND MAY A PORTION OF THE ANNUAL REVENUES DERIVED FROM THIS INCREASE BE SPENT ON ADMINISTRATIVE COSTS FOR THE ABOVE PURPOSES, AND SHALL THE REVENUE AND EARNINGS ON THIS TAX BE COLLECTED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE LIMITS THAT MAY OTHERWISE APPLY UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

# Denver's Loss of 0- 60% AMI Households

	2010		2019		Change 2010-2019	
	Number	% Total Households	Number	% Total Households	Number	Percent
<b>Total households</b>	<b>262,093</b>	<b>100%</b>	<b>318,445</b>	<b>100%</b>	<b>56,352</b>	<b>22%</b>
<b>Percent AMI</b>						
<b>0-50%</b>	91,589	35%	83,442	26%	<b>-8,147</b>	<b>-9%</b>
<b>51-60%</b>	18,311	7%	15,864	5%	<b>-2,448</b>	<b>-13%</b>
<b>61-80%</b>	26,680	11%	34,437	11%	5,757	20%
<b>81-100%</b>	23,424	9%	31,811	10%	8,388	36%
<b>101-120%</b>	18,303	7%	25,367	8%	7,065	39%
<b>121-150%</b>	20,596	8%	33,045	10%	12,448	60%
<b>151% and above</b>	61,190	23%	94,479	30%	33,289	54%

Note: The AMIs reflect the HUD income thresholds for a two-person household: \$80,000 in 2020, and \$60,800 in 2010.

Source: 2010, and 2019 1-year ACS, Root Policy Research.

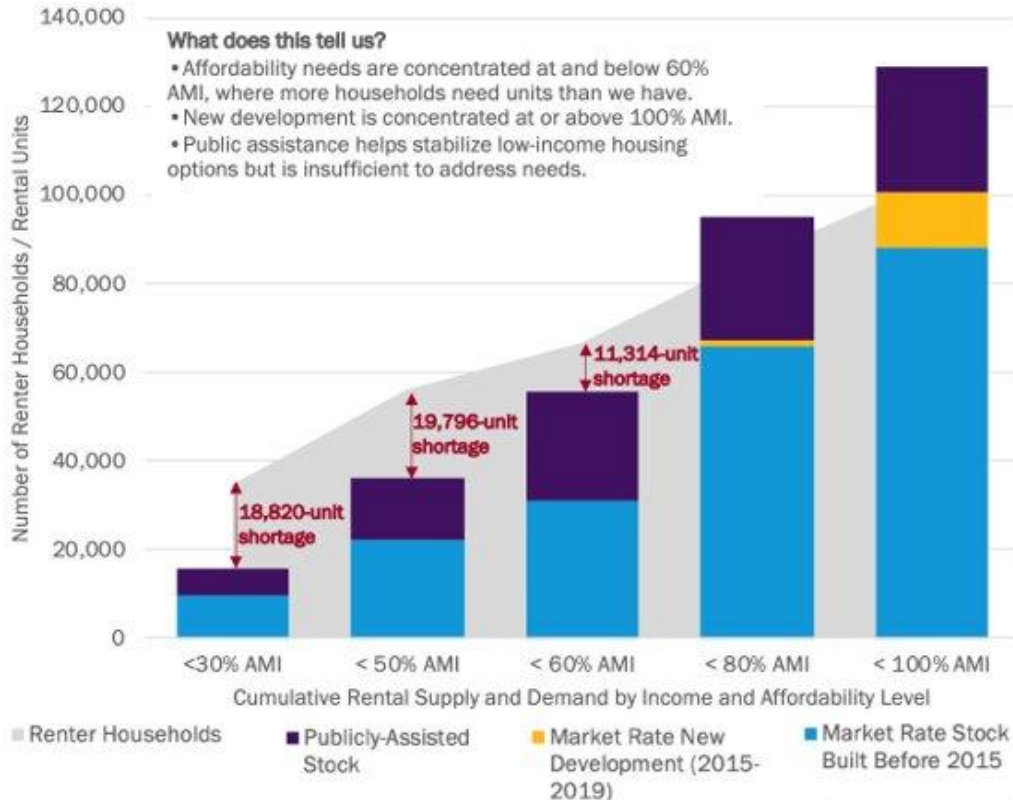


# 2024 HUD Income Limits

(Effective: June 1, 2024)

Area Median Income	HOUSEHOLD SIZE						HUD Income Designation
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	
120%	\$109,560	\$125,160	\$140,880	\$156,480	\$168,960	\$181,560	
115%	\$104,995	\$119,945	\$135,010	\$149,960	\$161,920	\$173,995	
100%	\$91,280	\$104,320	\$117,360	\$130,400	\$140,832	\$151,264	
95%	\$86,735	\$99,085	\$111,530	\$123,880	\$133,760	\$143,735	
90%	\$82,170	\$93,870	\$105,660	\$117,360	\$126,720	\$136,170	
80%	\$71,900	\$82,150	\$92,400	<i>\$102,650</i>	\$110,900	\$119,100	Low Income
70%	\$63,910	\$73,010	\$82,180	\$91,280	\$98,560	\$105,910	
65%	\$59,345	\$67,795	\$76,310	\$84,760	\$91,520	\$98,345	
60%	\$54,780	\$62,640	\$70,440	\$78,240	\$84,540	\$90,780	
50%	\$45,650	\$52,200	\$58,700	\$65,200	\$70,450	\$75,650	Very Low
30%	\$27,400	\$31,300	\$35,200	\$39,100	\$42,250	\$45,400	Extremely Low

# Root Policy Research (2019)



# Area Median Income (AMI)

- Midpoint of a region's income distribution
- Half of the region's households are above this number and half are below



# Median Wages & Area Median Income



Food Service Worker  
\$33,833



Preschool Teacher  
\$46,155



Social Worker  
\$51,584



Electrician  
\$61,360



Registered Nurse  
\$87,339

\*Based on median hourly wages provided by the U.S. Bureau of Labor Statistics (2023)

30 %

50%

60%

80%

100%



\$27,400

\$45,650

\$54,780

\$71,900

\$91,280



\$35,200

\$58,700

\$70,440

\$92,400

\$117,360

Extremely Low Income

Very Low Income

Low Income

Middle Income

# HSSA: Composition of 11 Members

- (1) The following two (2) members with professional or lived expertise in the effects of gentrification and displacement or housing instability on lower income households: The mayor and city council shall each appoint one (1) member with such expertise in housing stability.
- (2) The following two (2) members with professional or lived expertise in homelessness or in providing housing or services for residents experiencing homelessness: The mayor and city council shall each appoint one (1) member with such expertise in homelessness resolution.
- (3) The following two (2) members with professional or lived expertise living in affordable housing or developing income restricted housing: The mayor and city council shall each appoint one (1) member with such expertise in housing opportunity.
- (4) One (1) member representing public, private or philanthropic partner organizations that fund affordable housing appointed by the mayor.
- (5) Two (2) representatives from organizations that have a national best practice perspective on housing stability, homelessness resolution or housing opportunity. The mayor and city council shall each appoint one (1) member.
- (6) One (1) community representative appointed by the mayor.
- (7) One (1) community representative member appointed by city council.

# HSSA: Powers and Duties

- (a) To recommend goals, objectives and policies to inform the adoption of the three- to five-year strategic plan for city housing expenditures, including, but not limited to, the permanent funds and any federal or other funds allocated by the executive director of the department of housing stability, for homelessness resolution, housing stability, and housing opportunity, which shall include, but not be limited to, housing development, preservation or programs. The executive director of the department of housing stability shall direct city staff, independent consultants, or a combination thereof to develop the strategic plan to be reviewed by the housing stability strategic advisors and recommended for submittal to the city council by September 1 of the year prior to the plan's first program year for subsequent approval. The plan shall be developed with input from stakeholders and the public including those with lived expertise with housing instability and/or homelessness. Notwithstanding the foregoing, the first three- to five-year strategic plan shall be submitted to the city council by November 1, 2021, for subsequent approval. The three- to five-year strategic plan shall

# HSSA: Powers and Duties

- (b) To recommend annual action plans intended to implement the overall strategic plan to prioritize and allocate city housing expenditures based on current conditions.
- (c) To review annual progress reports and regular intermittent reports throughout each year, at the discretion of the executive director of the department of housing stability, that evaluate the implementation of the goals outlined in the strategic plan. The reports shall describe compliance with the strategic plan and include information on (i) city homelessness and housing expenditures along the housing continuum, (ii) shelter and other strategies for persons experiencing homelessness, and (iii) housing unit production, including an explanation of any variances between plan goals and actual unit production where possible. Reports reviewed by the housing stability strategic advisors shall be delivered to the city council.
- (d) To recommend annual goals, objectives and policies to inform budget priorities for expenditures to be made from the permanent funds, prior to the submission of such priorities by the executive director of the department of housing stability to the mayor and the city council as part of the city's annual budget process.

# HSSA: Powers and Duties

- (e) To recommend to the executive director on an ongoing basis:
  - (1) Concepts for new programs and services to achieve the purposes of the permanent funds;
  - (2) Metrics to be tracked in order to monitor the success of the expenditures from funds in achieving their intended purposes;
  - (3) Community engagement strategies, including no less than one (1) public hearing annually;
  - (4) Housing priorities, including geographic priorities for creating or preserving affordable housing within the city;
  - (5) Methods to leverage and maximize expenditures from the permanent funds;
  - (6) Specific provisions for expenditures designed to mitigate the effects of gentrification and displacement of lower income households in neighborhoods with the most rapidly escalating housing costs; and
  - (7) Specific provisions for expenditures designed to reduce homelessness.