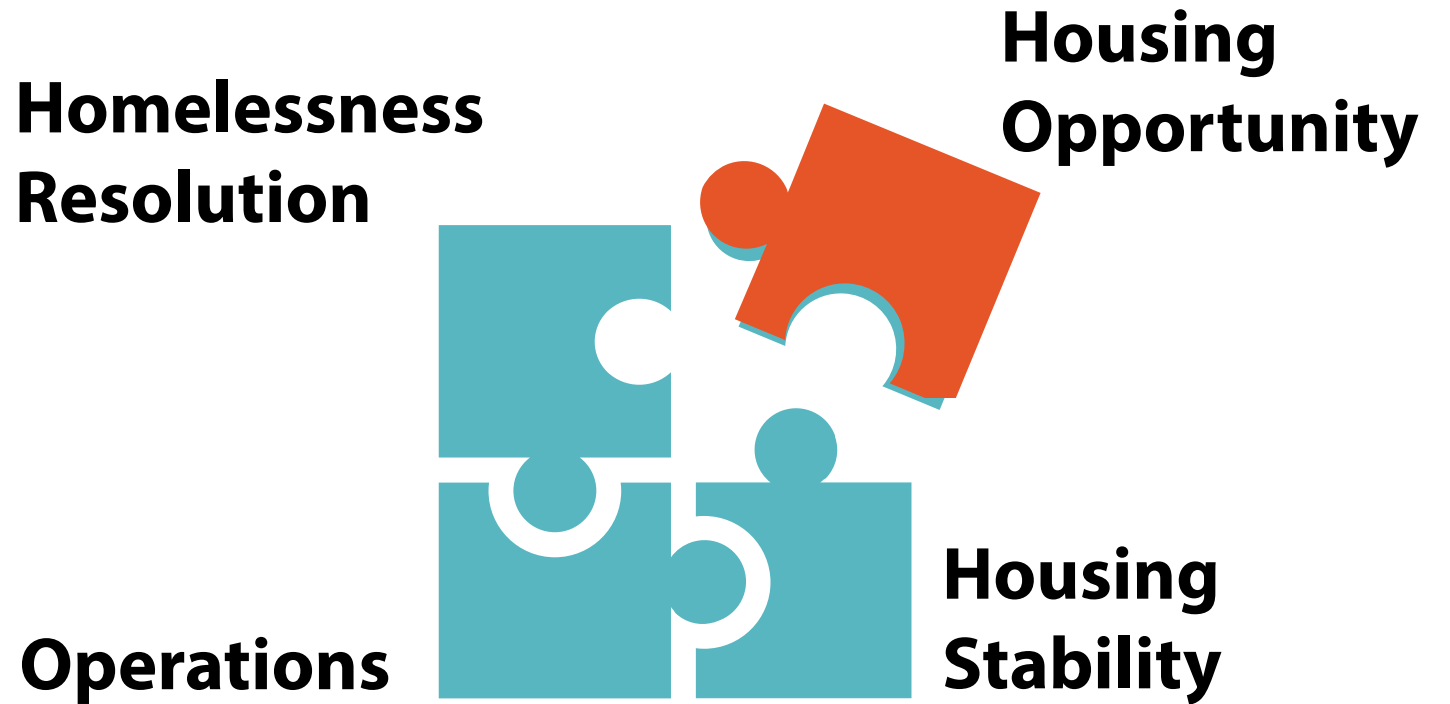


# Expanding Housing Affordability

*LUTI*  
*April 19, 2022*



**Addressing  
Housing  
Needs  
required  
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.**

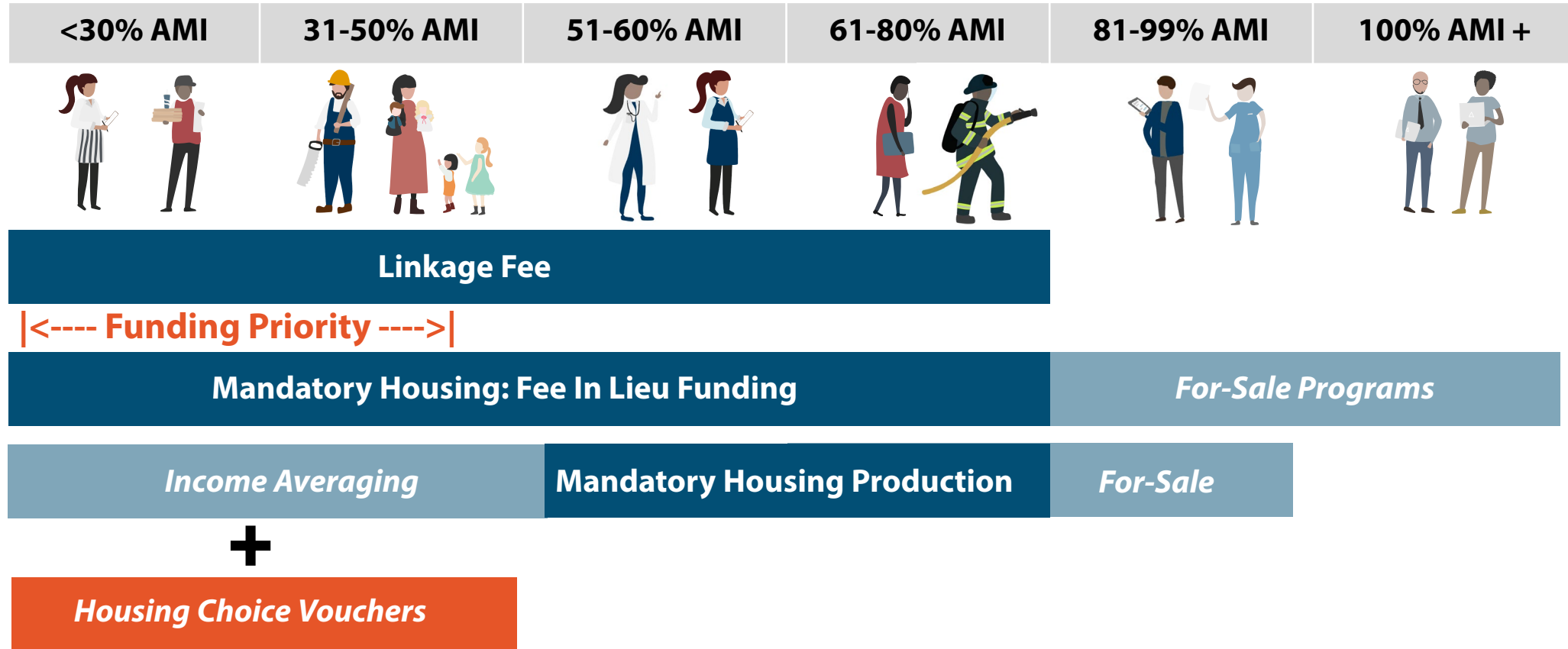
This will be done through the creation of a **Mandatory Housing Program** with **Incentives** and a **Linkage Fee** update.

EHA  
complements  
existing  
programs &  
resources &  
serve 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

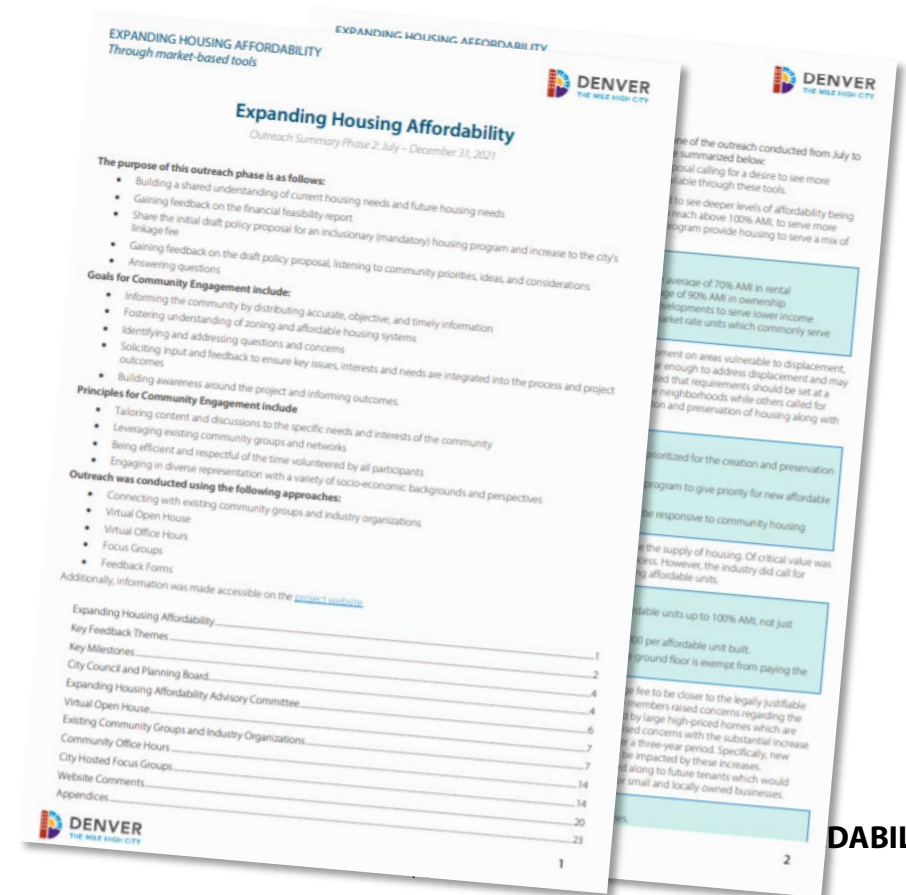
**4** Planning Board Informational Meetings

**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

# 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
  - 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

# 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



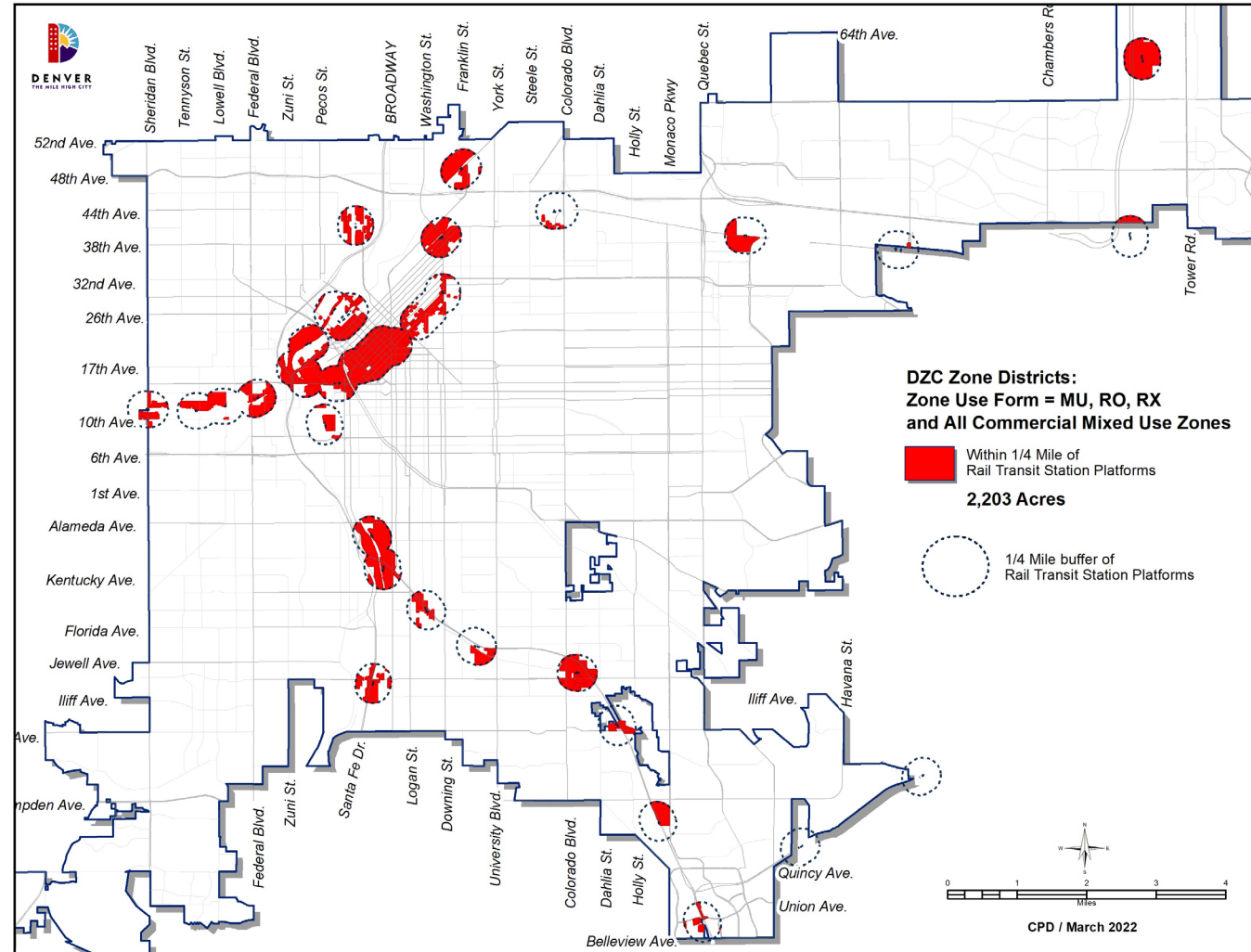
# Incentives

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	<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>
Applicability	Citywide	Citywide	Citywide	Specific Zone Districts	¼ mile from transit station	Citywide
Build On-Site	✓	✓	✓	✓	✓	✓
Fee In Lieu	✗	✗	✗	✗	✗	✗
Affordable Projects	✓	✓	✓	✓	✓	✓
✓ - Incentive available; ✗ - Incentive not available ✓ - incentive available based on capacity						

# Parking Reductions and Exemptions

- **Reduction** – baseline incentive
  - Parking reduction of 0.5 spaces/unit
  - 0.1 spaces/unit for affordable units at 60% AMI and below
- **Exemption** – enhanced incentive within 1/4 mile of rail transit platform



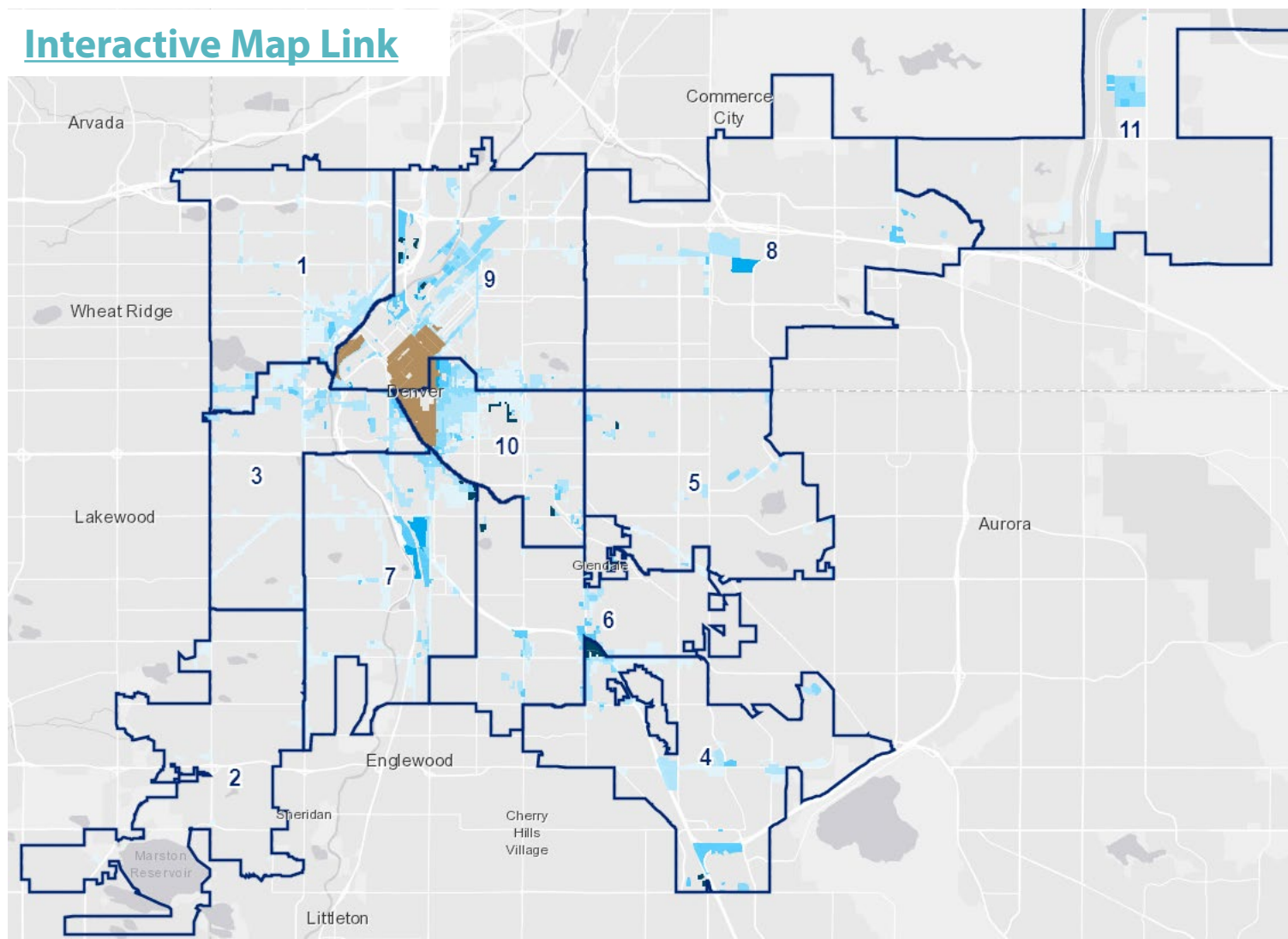
# Enhanced Incentives: Height Increase

Base Height	Incentive Height	New Height with Incentive
3	+1	<b>4</b>
5	+2	<b>7*</b>
8	+4	<b>12*</b>
12	+4	<b>16*</b>
16	+6	<b>22*</b>
20	+10	<b>30*</b>

Downtown FAR-based districts

\* Existing height limit of 75' (approx. 5 stories) within 175' of protected districts (SU, TU, RH) still applies.

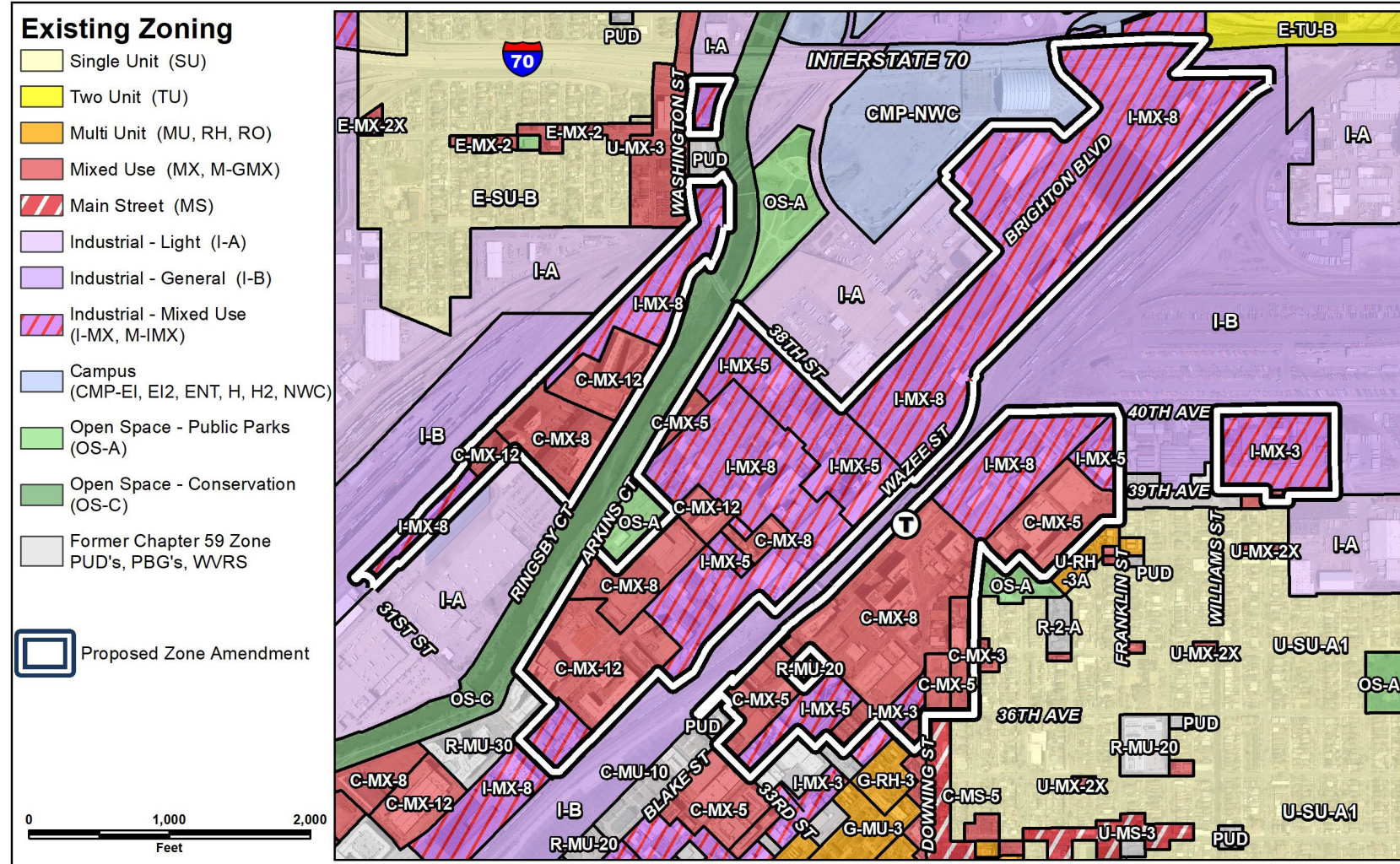
[Interactive Map Link](#)



# 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

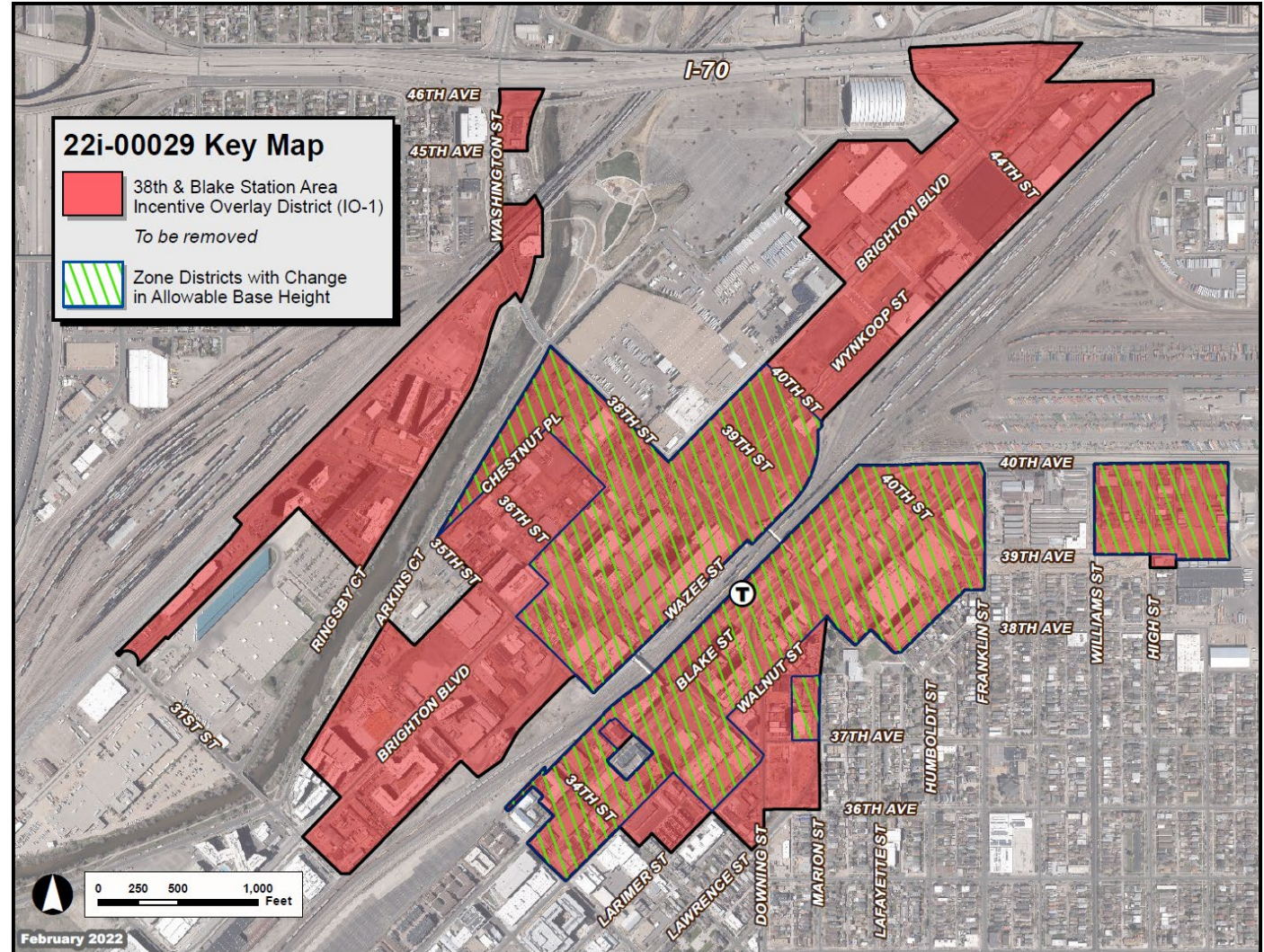
- Require **all** residential projects of 10 units or more to provide affordable housing (base or incentive)
- Create **2 to 4 times** more affordable housing units at **lower AMI levels**
- Be consistent with citywide EHA requirements and eliminate the need for custom administration



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

To achieve this:

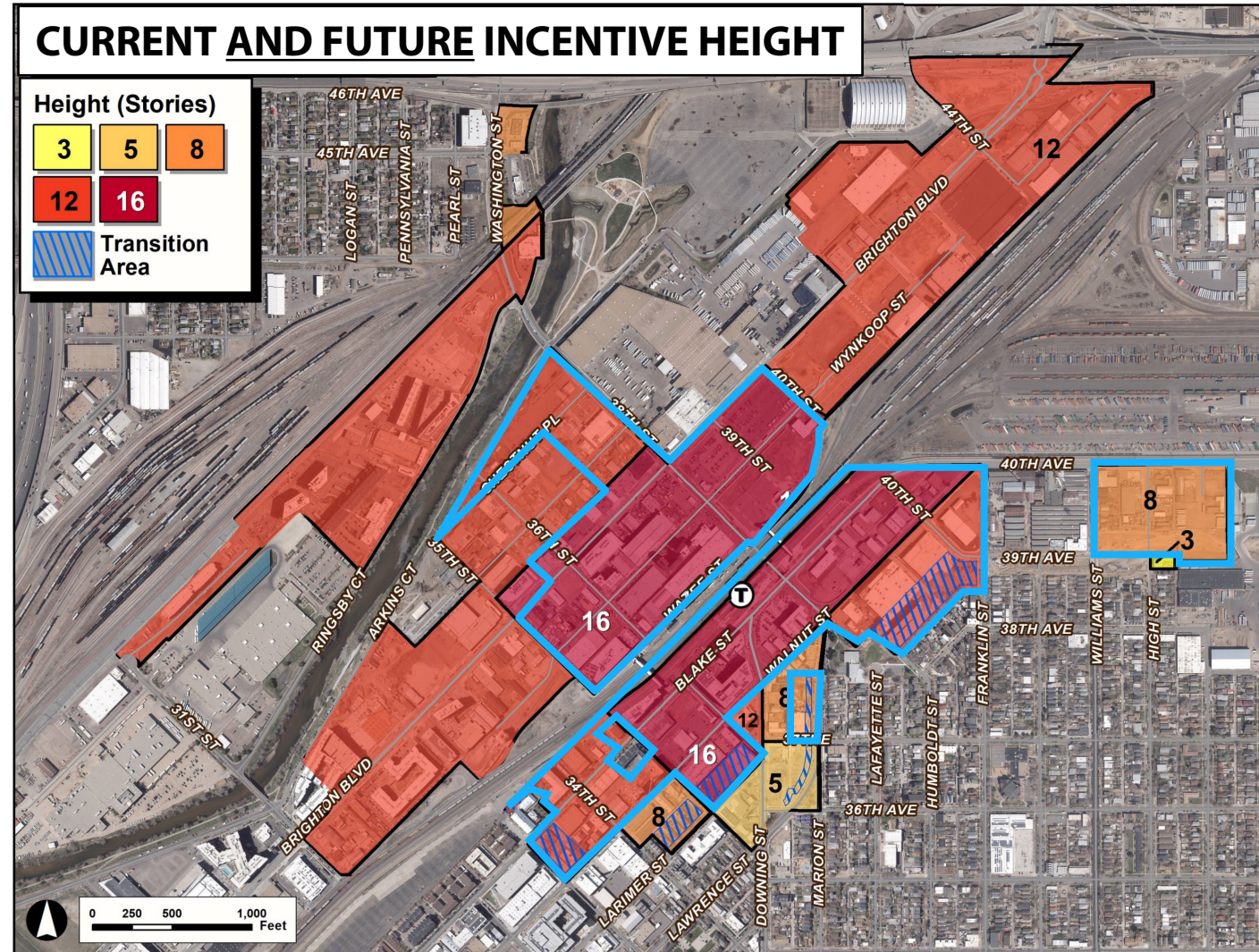
- Remove current overlay
- Increase base heights in some locations (no change in most areas)
- Maximum heights remain the same





# 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
- *City Council Public Hearing (tentative): 06/06/2022*

# 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.*

# 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)



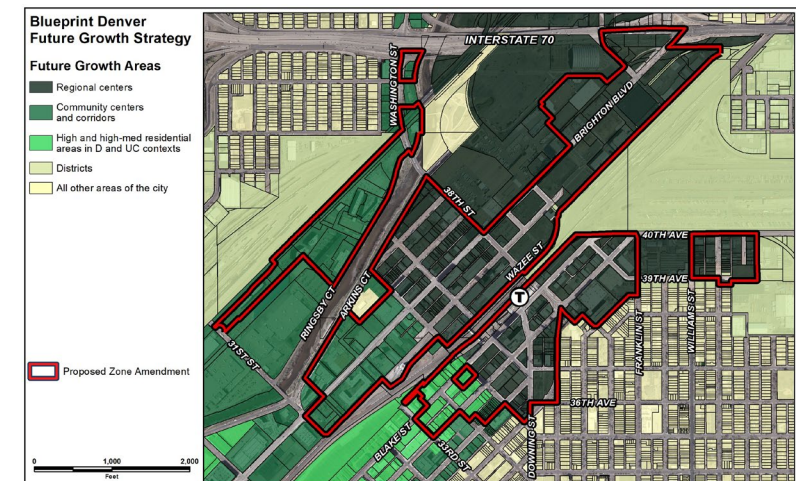
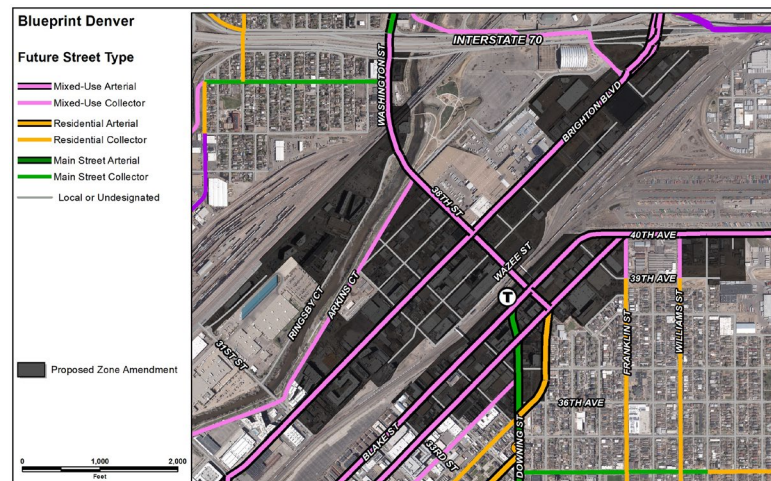
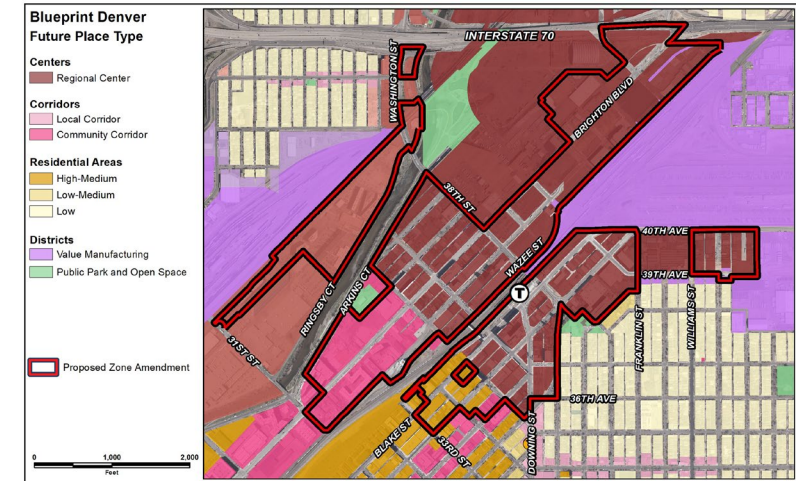
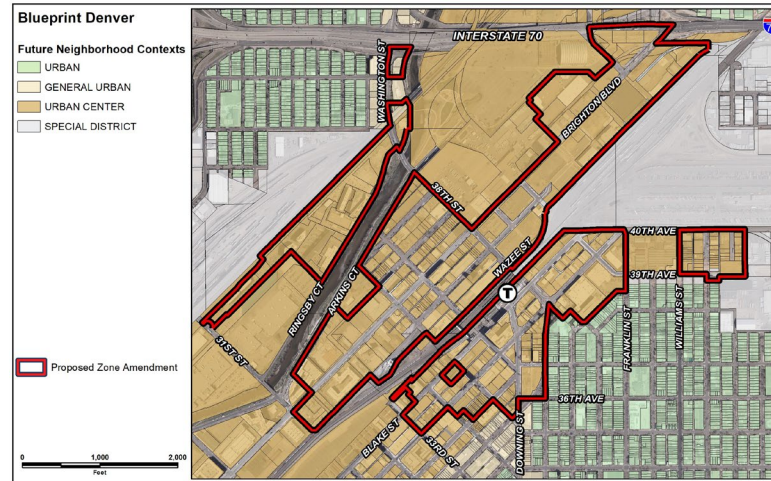
# Blueprint Denver (2019)

- 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.”

## 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 and request the LUTI committee move this item forward for consideration by the full City Council.

CPD staff recommend **approval** of Map Amendment proposal #2022I-00029 rezoning multiple properties in the 38<sup>th</sup> & Blake station area and request the LUTI committee move this item forward for consideration by the full City Council.

HOST and CPD staff recommend **approval** of the Denver Revised Municipal Code amendment to revise Chapter 27 and request the LUTI committee move this item forward for consideration by the full City Council.