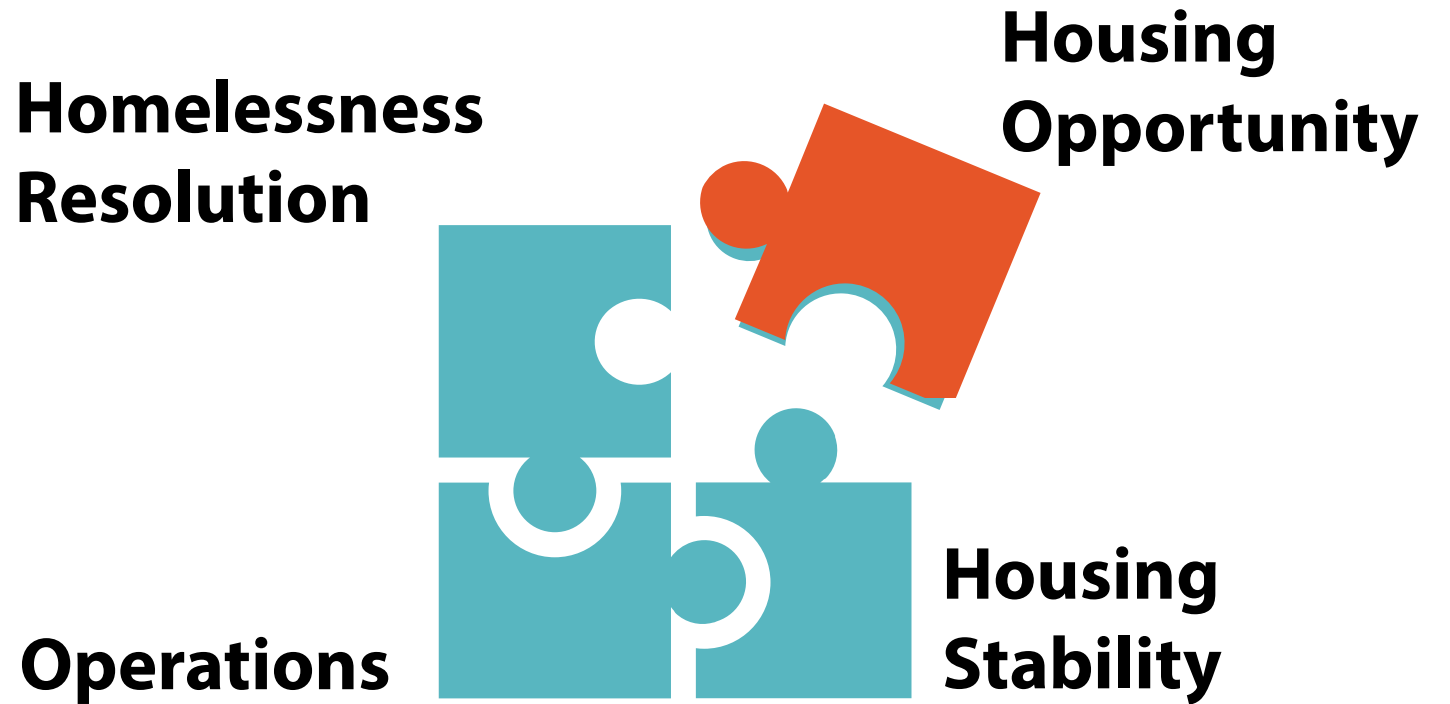


Expanding Housing Affordability

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.**

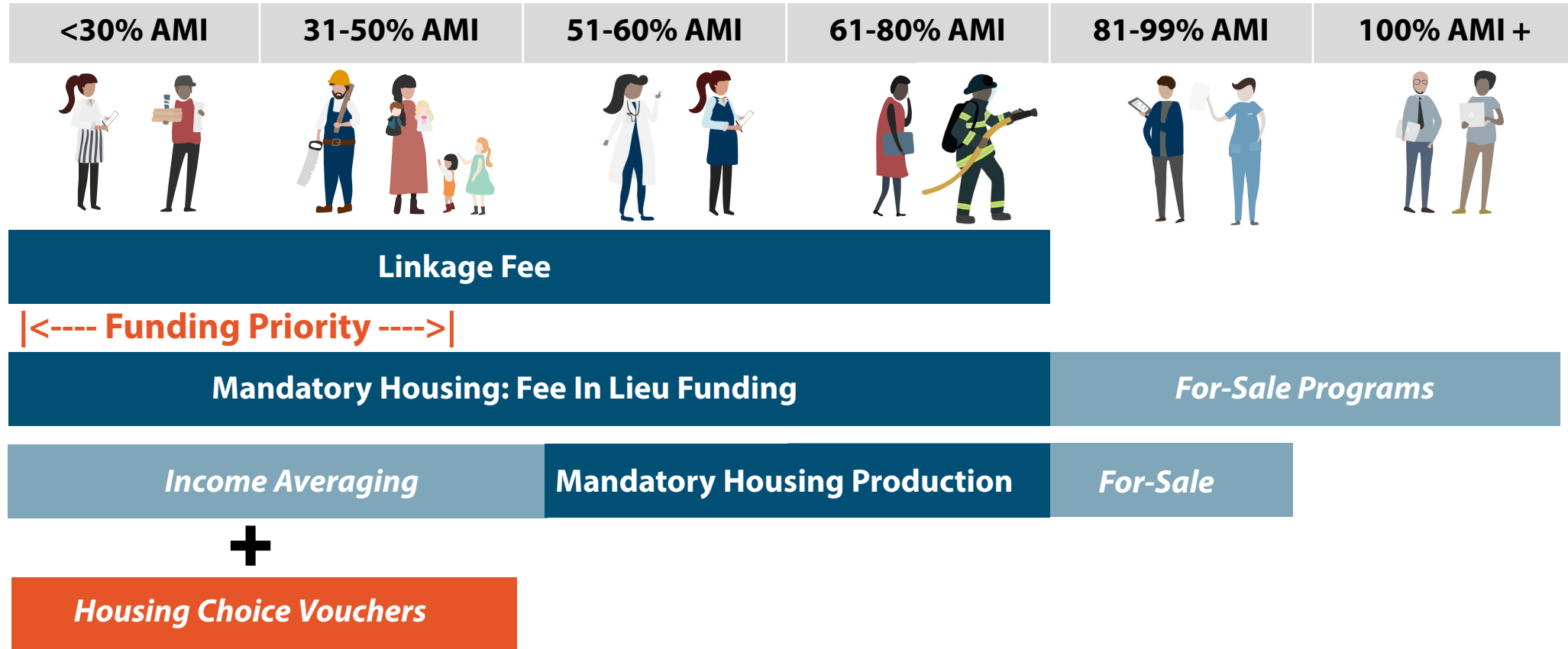
This will be done through the creation of a **Mandatory Housing Program** with **Incentives** and a **Linkage Fee** update.

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 38th 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

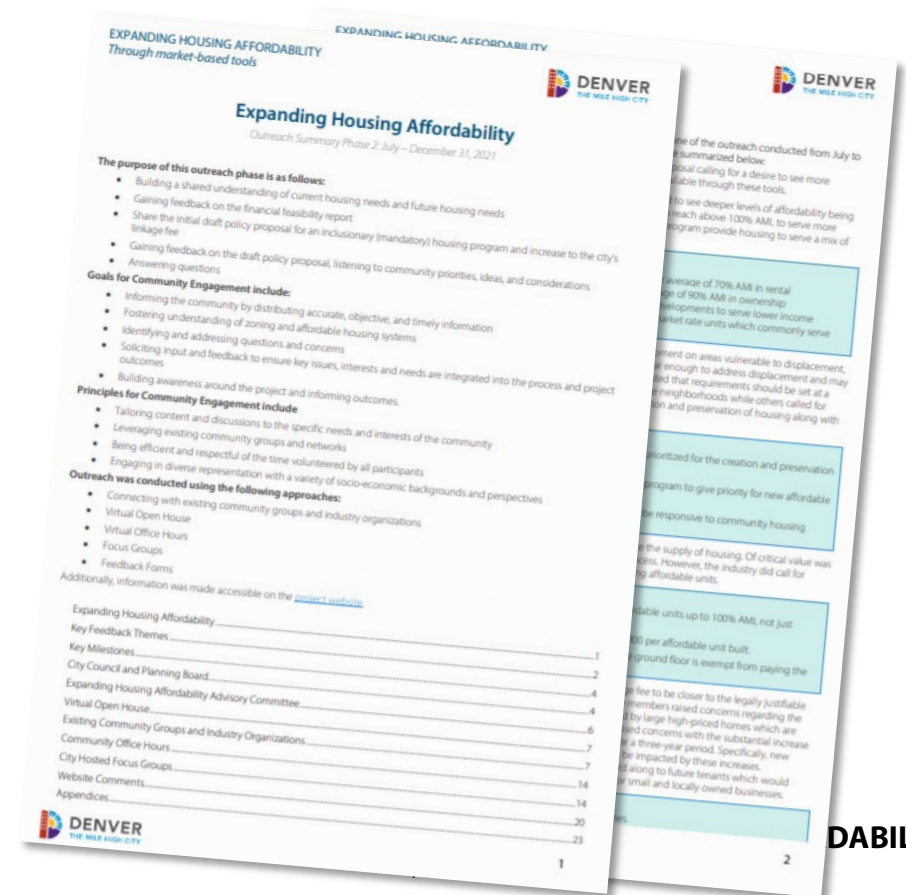
4 Planning Board Informational Meetings

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	\$5.00
1-9 units, units more than 1,600 sf	\$2.50	\$4.33	\$6.17	\$8.00
Other residential uses (e.g., Congregate living)	\$2.25	\$3.83	\$5.42	\$7.00
Commercial, Sales, Service – Typical Market	\$2.90	\$3.93	\$4.97	\$6.00
Commercial, Sales, Service – High Market	\$3.65	\$5.43	\$7.22	\$9.00
Industrial, manufacturing, wholesale, agricultural	\$0.96	\$1.47	\$1.99	\$2.50

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 Rental	8% of total units at 60% AMI	10% of total units at 60% AMI
	On-Site Ownership	8% of total units at 80% AMI	10% of total units at 80% AMI
Build Onsite Option #2	On-Site Rental	12% of total units averaging 70% AMI serving households up to 80% AMI	15% of total units averaging 70% AMI serving households up to 80% AMI
	On-Site Ownership	12% of total units averaging 90% AMI serving households up to 100% AMI	15% of total units averaging 90% AMI serving households up to 100% AMI

Incentives

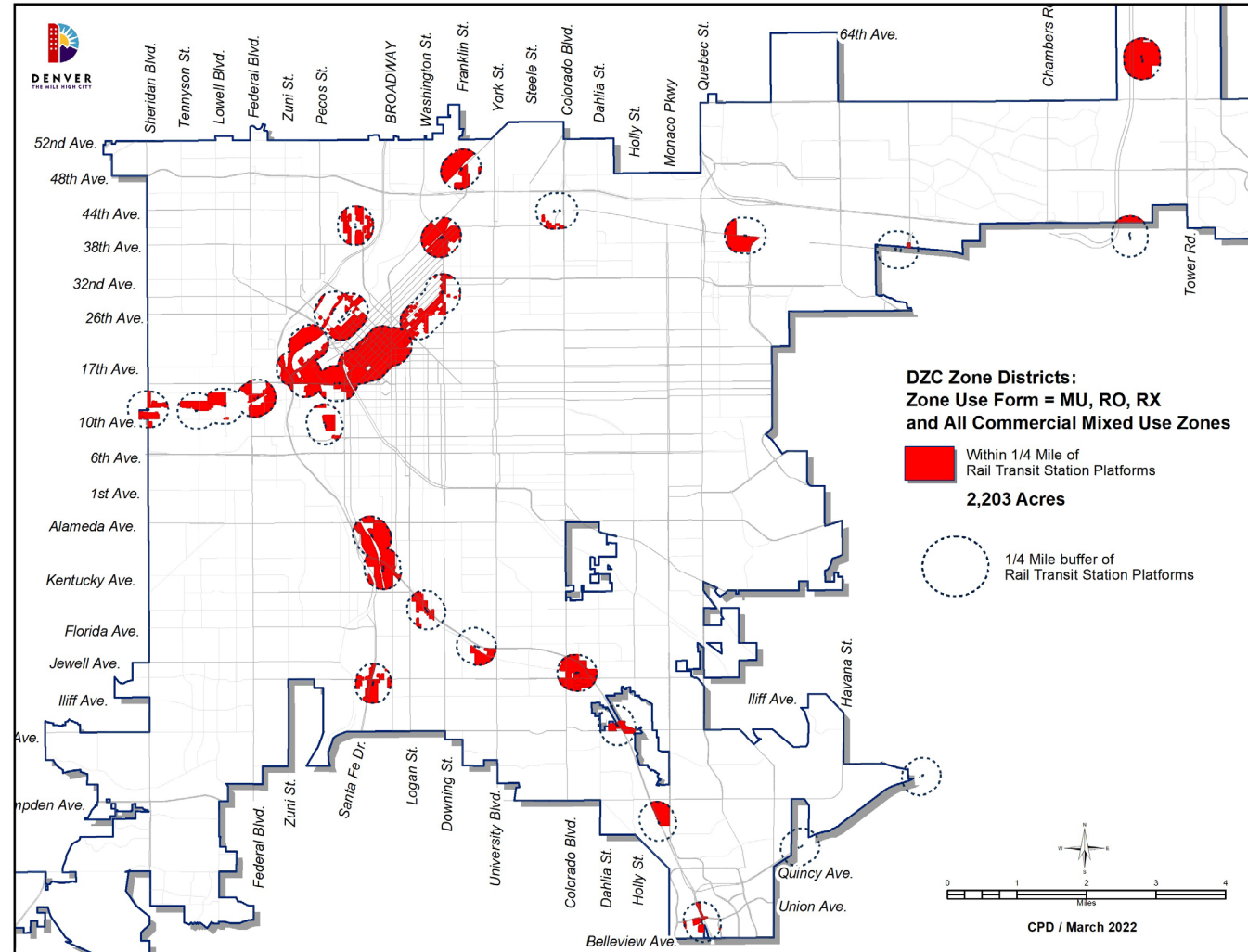
Incentives are designed to promote the creation of affordable housing and create more housing overall while providing moderate cost off-sets

	Baseline Incentives – By-Right			Enhanced Incentives – By-Right In exchange for greater affordability		
	Fee Reduction \$6.5 – 10K per affordable unit	Linkage Fee Ground Floor Commercial Exemption	Parking Reduction Reduction of 0.5 spaces per unit	Incentive Height Increased height ~25 – 50% increase	Parking Exemption	Affordable Housing Review Team
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



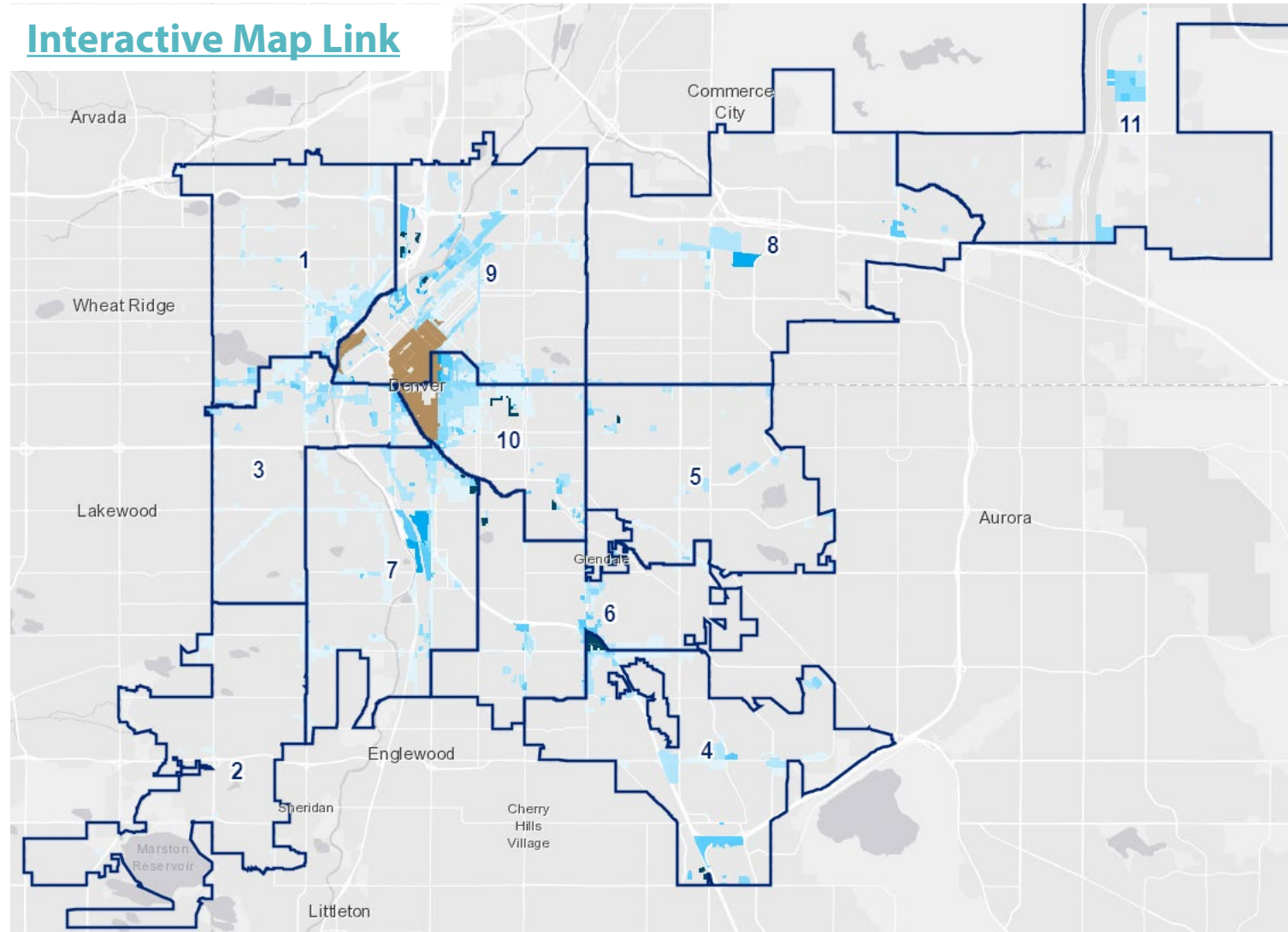
Enhanced Incentives: Height Increase

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

Downtown FAR-based districts

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

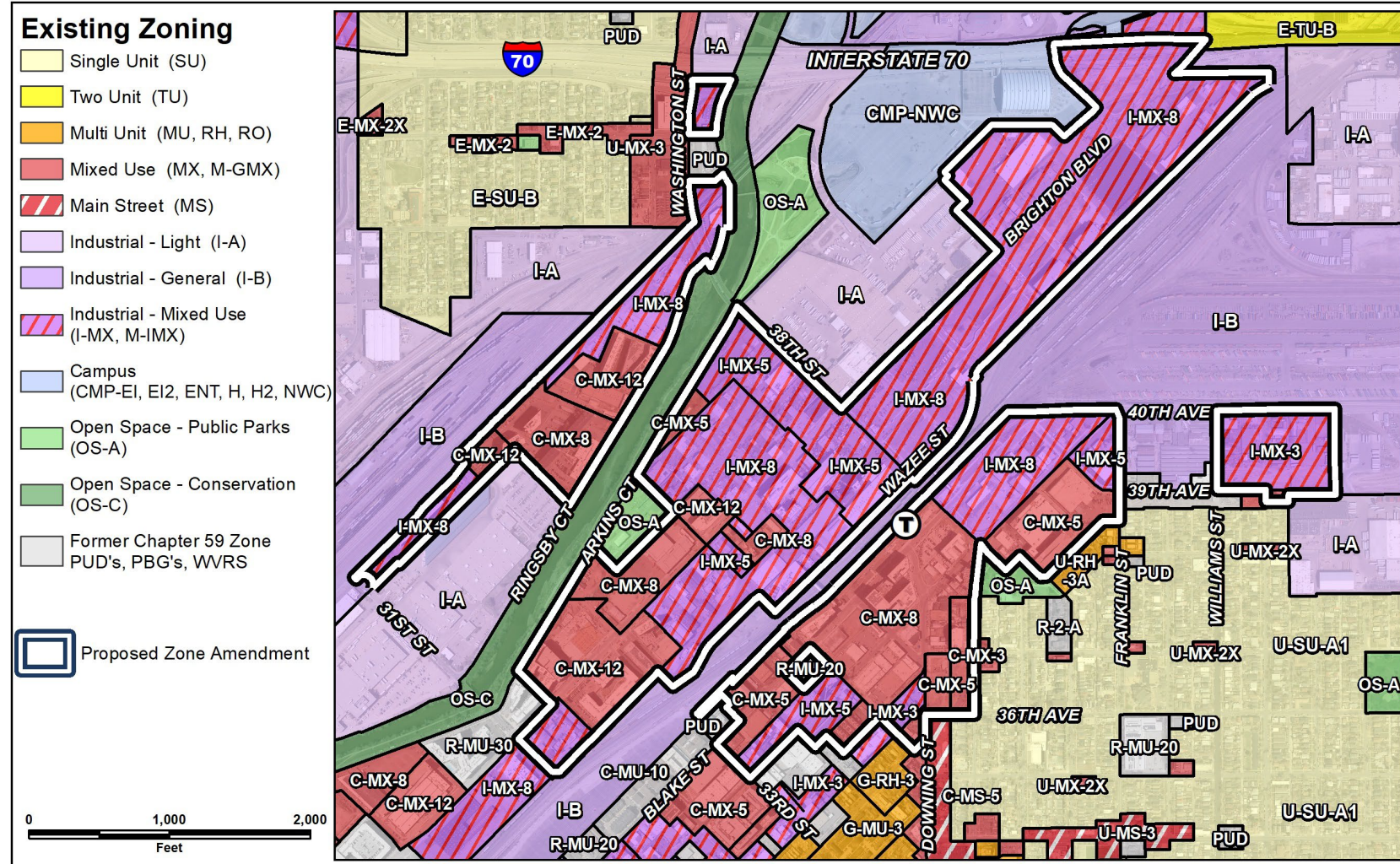
[Interactive Map Link](#)



38th 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

- 38th & 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

38th & Blake Tomorrow

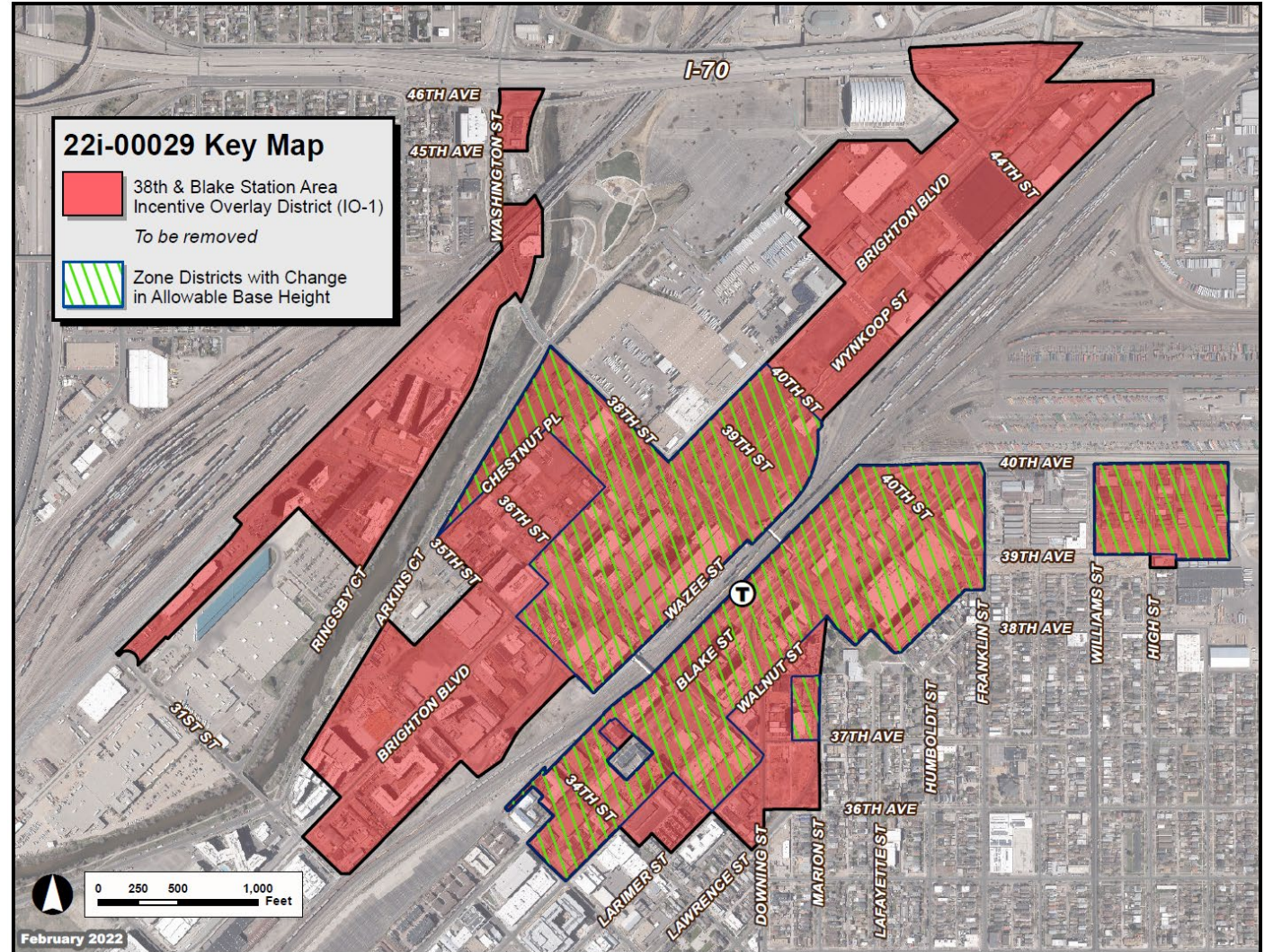
- Require **all** residential projects of 10 units or more to provide affordable housing (base or incentive)
- Create **2 to 4 times** more affordable housing units at **lower AMI levels**
- Be consistent with citywide EHA requirements and eliminate the need for custom administration



38th & Blake Tomorrow (cont.)

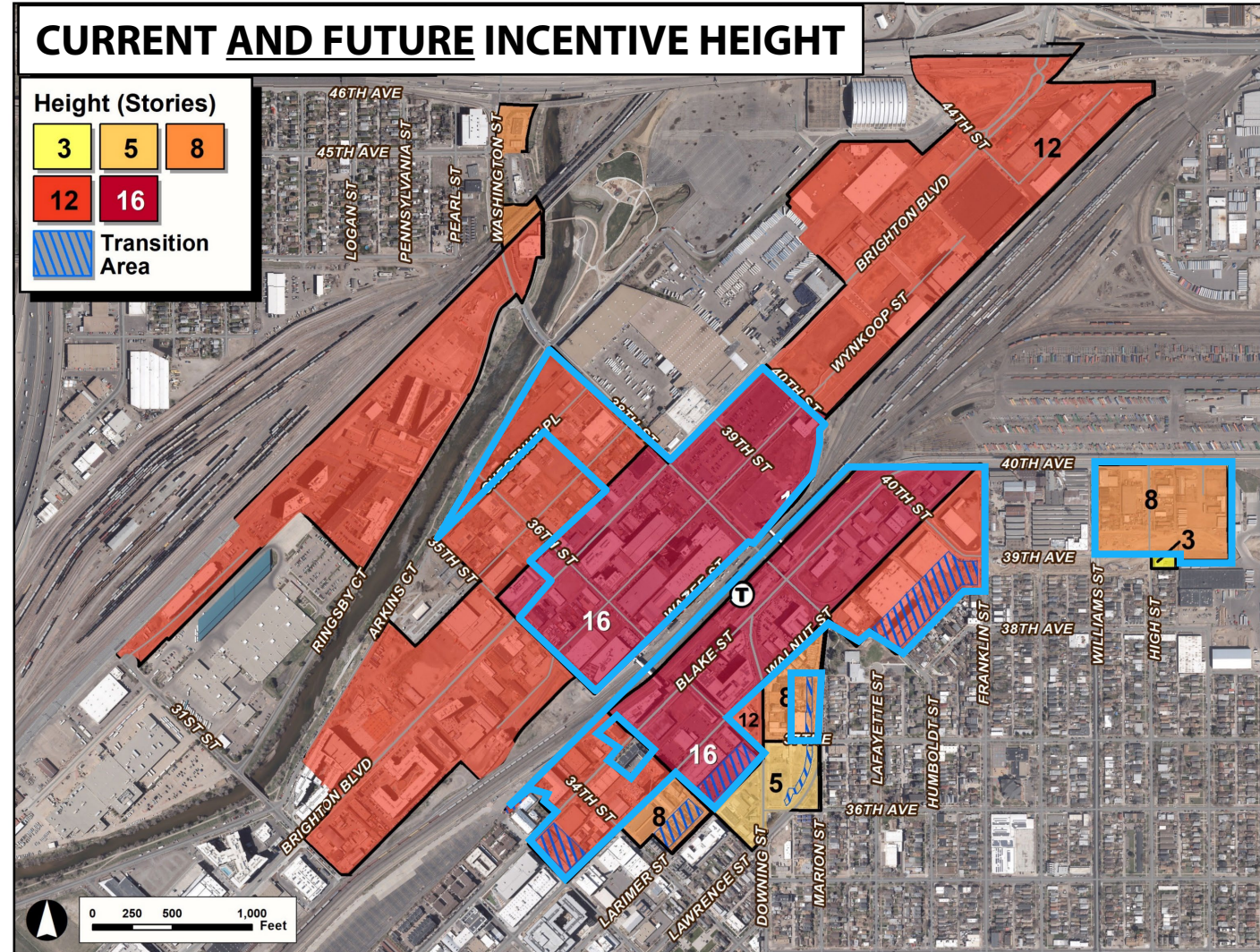
To achieve this:

- 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 38th & 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)

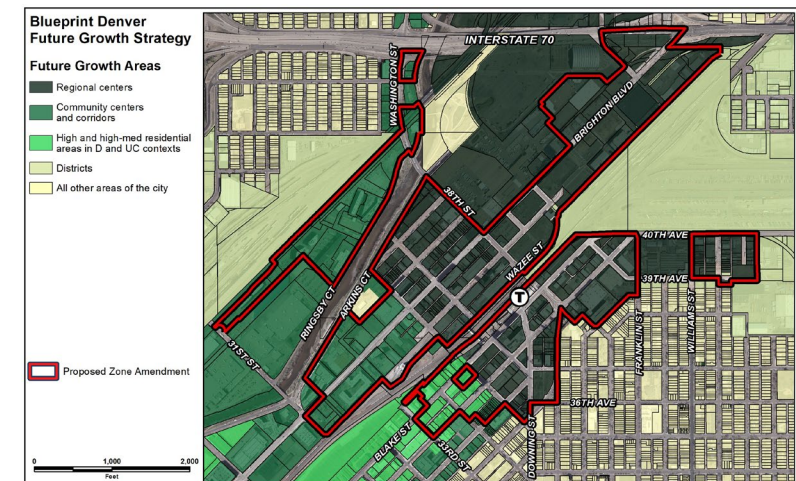
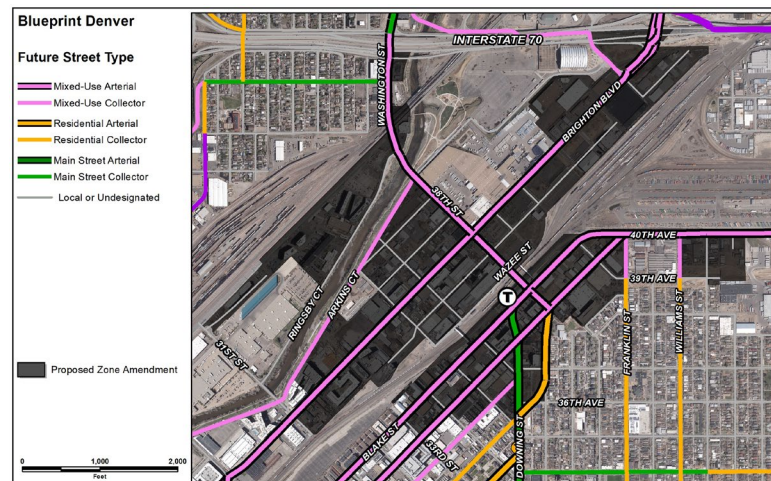
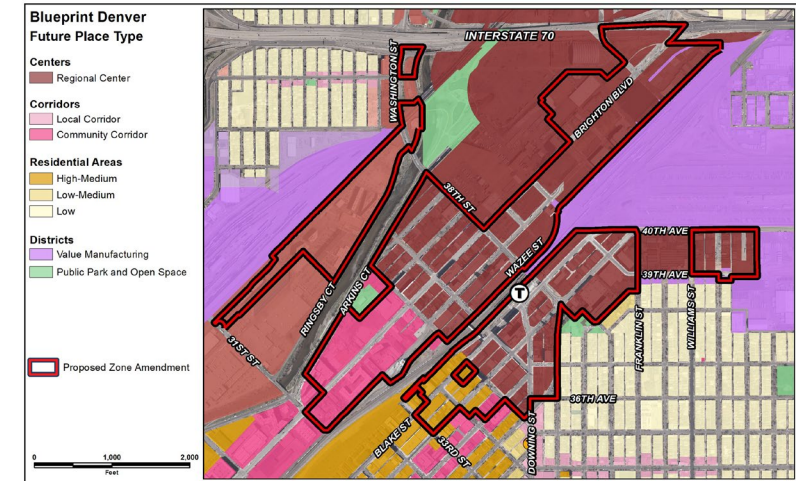
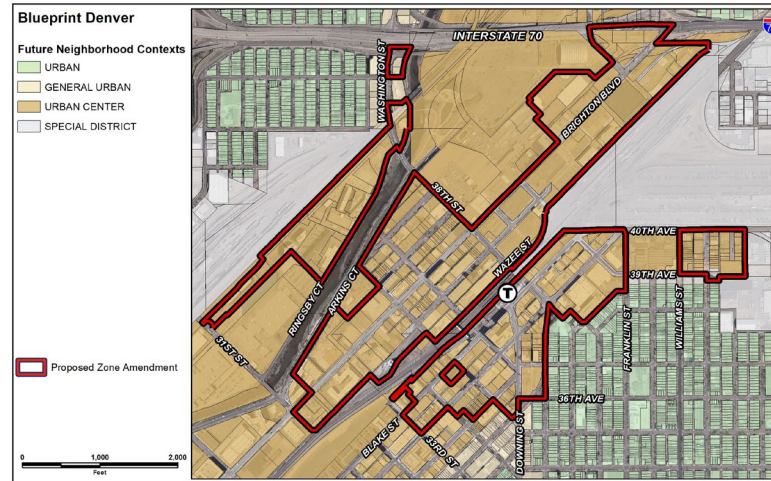


Blueprint Denver (2019)

- 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 38th & Blake

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

“Adopt a new regulatory approach to integrate affordable housing and mixed income development within the 38th & 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 38th & 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 38th & 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.