



## Affordable Housing Prioritization Policy

Many Denver households have been displaced from their neighborhoods to other parts of the city or have left Denver entirely, and many others continue to be at risk of these same outcomes. Today, more than 115,000 Denver households are housing cost burdened, meaning they spend more than 1/3 of their income on housing alone – putting them at risk of displacement.

To address this, HOST is proposing a prioritization policy that would provide households at risk of or who have been displaced from their neighborhood or from Denver priority access to **newly developed or preserved affordable housing**.

After reviewing approaches taken by peer cities and examining Denver data on involuntary displacement, HOST is proposing a policy to help displaced residents and those at risk of displacement access to any **qualifying affordable housing citywide, with higher priority given to neighborhood residents**.

### Policy details

- Percentage of units prioritized: 30% of units will be set aside for residents at-risk of or who have experienced displacement. The legal standard for determining the percentage of units the policy applies to is that it must be “rationally related” to the incidence of involuntary displacement in Denver. To develop a rationally related standard, HOST reviewed existing data on housing needs and prevalence of involuntary displacement. 115,000 households – 35% of all households in Denver – are experiencing housing cost burden, which is a primary indicator of housing instability. Additionally, 30% of City and County of Denver renters reported experiencing displacement as identified in Metro Denver’s Analysis of Fair Housing Impediments study. As both indicators demonstrate a similar proportion, we have determined 30% as the rationally related percentage for this policy.
- Project applicability:
  - For affordable rental units: The prioritization policy would apply to new and newly preserved affordable rental units, including all residential units that are regulated through negotiated agreements, HOST funding, or required through applicable policy. The policy would apply to mandatory housing when the building is a minimum of 100 units or when it is built in an area vulnerable to displacement.
  - For affordable home ownership units: The prioritization policy would apply to newly built affordable home ownership units, including residential units that are regulated through negotiated agreements, HOST funding, or required through applicable policy. Entities may be eligible for an exemption if they can demonstrate they are already meeting the goals of the policy, provide extensive services to prospective homeowners, and can demonstrate continued compliance with policy goals.
- Marketing period for prioritized units: The prioritization policy would require units made available through the policy to be marketed **for at least 14 days**. After that period, property managers/sales teams must review applicants who apply under the prioritization policy first to identify eligible applicant(s).
- Applicant selection: If property managers/sales teams receive an application from a prioritized household who meets the other eligibility requirements, that applicant should be offered the unit. If multiple applicants meet these criteria, the applicant who scores the highest on the scoring system should be offered the unit.



- Duration of policy applicability:
  - For affordable rental units: The prioritization policy requirements would apply to initial lease-ups and subsequent lease-ups of vacant units for the affordability period of rental developments.
  - For affordable homeownership units: The policy requirements would only apply at first sale and not on subsequent sales.
- Policy compliance:
  - For affordable rental units: Developers and property managers will be accountable for ultimately leasing units to prioritized households and would need to demonstrate that 30% of the units were occupied by prioritized households as measured and assessed at least every three years.
  - For affordable homeownership units: Developers would need to demonstrate that 30% of the units were sold to prioritized households in the initial sales. Exempted partners will need to provide reports to show that at least 30% of their new home sales went to Denver residents.

### Eligibility Requirements

To be eligible for the program, applicants must have been displaced or at risk of displacement between 2000 and today and/or an applicant's family member was displaced from Denver between 1939-2000. Displacement and vulnerability can include and be demonstrated by evidence of:

- Rent or mortgage is more than 40 percent of household income
- Renter must move because property owner selling or has sold their rental unit
- Renter must move because property owner is moving into the rental unit
- No cause eviction
- Eviction for nonpayment of rent
- Foreclosure
- Costly code violations
- Eminent Domain
- Redlined Neighborhood

### Scoring System for Priority List

Applicant priority would be determined by the following conditions:

- 1) The applicant is or was a Denver resident for 5-9 continuous years – 10 points.
- 2) The applicant is or was a Denver resident for 10-14 continuous years – additional 5 points.
- 3) The applicant is or was a Denver resident for 15 or more continuous years – additional 5 points.
- 4) The applicant was displaced or is at risk of displacement from a neighborhood where they have lived for at least 5 years where an affordable housing development is being built – additional 5 points.
- 5) The applicant has generational ties to a neighborhood where their parent, grandparent, or primary guardian was displaced – additional 5 points
- 6) The applicant is currently doubled up in housing or is experiencing homelessness – additional 3 points
- 7) The applicant or member of the household has a disability —additional 2 points.
- 8) The applicant has children in their household eligible to be in Denver Public Schools—additional 2 points.