

Executive Summary

Overview

Denver is at a pivotal point where despite extremely low unemployment (2.2%), high workforce participation (90%+), and tremendous economic growth, housing costs are growing at such a rapid pace that incomes cannot keep up. *Housing an Inclusive Denver* outlines strategies to create and preserve strong and opportunity-rich neighborhoods with diverse housing options that are accessible and affordable to all Denver residents. The plan is centered around four fundamental values and four core goals.

Fundamental Values

Leverage and enhance housing investments with resources from public, private and nonprofit partners to support inclusive communities in Denver, including a focus on sustainability of the City's existing resources for affordable housing development, preservation and programs.

Foster communities of opportunity by aligning housing strategies and investments with unique neighborhood conditions that consider five opportunity outcomes: stable and affordable homes, jobs and economic mobility, comprehensive health services, access to quality education, and mobility and transit connections.

Support housing as a continuum that serves residents across a range of incomes, including residents experiencing homelessness, those earning low wages or living on fixed-incomes such as seniors or residents with a disability, and working families.

Embrace diversity throughout neighborhoods to ensure that Denver remains a welcoming community for all residents by focusing on policies, programs and investments that support inclusive, mixed-income communities.

Core Goals



Create affordable housing in vulnerable areas AND in areas of opportunity by focusing on production that considers specific neighborhood conditions, including areas vulnerable to displacement and neighborhoods that have strong amenities such as transit, jobs, high quality education and health care. Measurable outcomes from investment and policies under this core goal include **new units created**.



Preserve affordability and housing quality by investing to maintain affordability in non-subsidized units and preserving or continuing affordability of existing publicly subsidized affordable housing. Measurable outcomes from investment and policies under this core goal include **existing units preserved** and **residents served through program investments or policy actions**.



Promote equitable and accessible housing options by supporting programs and policies that help residents across the housing continuum access affordable housing. Measurable outcomes from investment and policies under this core goal include **residents served through program investments or policy actions**.



Stabilize residents at risk of involuntary displacement by supporting programs and policies that help a resident maintain their existing housing or stay in their community. Measurable outcomes from investment and policies under this core goal include **residents served through program investments or policy efforts**.

Legislative and Regulatory Priorities

Strengthen the City's Preservation Ordinance. The City and its partners are taking steps to clarify language in the Preservation Ordinance through a rulemaking process, and should coordinate across partners in the Housing Preservation Network to conduct regular outreach to owners of existing income-restricted properties to preserve income-restricted rental properties long-term.



Expand and strengthen land use regulations for affordable and mixed-income housing. Through Blueprint Denver and supplemental implementation actions such as zoning modifications, the City should support land use regulations that incentivize affordable and mixed-use housing, including expanding the development of accessory dwelling units.



Develop more consistent standards for affordable housing in major redevelopment areas. The City and its partners should foster mixed-income and mixed-use communities by developing clear standards for the circumstances when an affordable housing plan will be created for a major redevelopment area and exploring the creative use of tax-increment financing.



Enhance protections and assistance for renters, including exploring a rental registry. The City and its partners should support the safety and well-being of all renters in Denver by exploring a rental registry that would require landlords to register their rental properties and participate in regular inspections for health and safety standards.



Stabilize families through tax relief programs. The City and its partners should promote broader participation among eligible households for existing property tax relief programs and explore additional forms of tax relief for low and moderate-income families struggling to keep up with rising property taxes.



Explore a framework and methodology for determining a preference in new housing for residents at risk of displacement. The City and its partners should leverage data collected through the Assessment of Fair Housing (AFH) process to explore a framework and methodology for a preference policy aimed at stabilizing residents at risk of displacement.



Enhance the existing State Low Income Housing Tax Credit. The City and its partners should back an extension of the existing state tax credit program beyond its current sunset in 2019 and, in close partnership with the Colorado Housing and Finance Authority and Colorado Division of Housing, explore additional tools to enhance the state tax credit to facilitate creation and preservation of affordable housing in Colorado.



Strategic Use of Land to Support Affordable Housing

Strategic land acquisition is an essential element of Denver's long-term housing pipeline, and is an important strategy that the City and its partners will pursue to foster mixed-income neighborhoods, preserve affordability in vulnerable neighborhoods, and introduce affordability to areas with strong economic opportunities.

Leverage publicly owned land for affordable housing development. While the City has an existing process when disposing of its land that considers affordable housing as a potential use, the City and its partners should take proactive steps to



conduct a comprehensive analysis of the current inventory of public and quasi-publicly owned land and its suitability for affordable housing development.

Facilitate acquisition of land directly and through partners for housing development. The City and its partners also have programs and funding resources that can be used for the direct acquisition of properties, or in partnership with developers interested in building affordable or mixed-income housing.



Explore tools to promote long-term affordability of housing, including land trusts, throughout Denver communities. The City and its partners should explore land trusts as a tool to preserve affordability citywide and in vulnerable neighborhoods, evaluating factors such as the upfront cost to invest in unit acquisition, ongoing cost of program development and community stewardship.



Housing for Residents Experiencing Homelessness

With more than 3,336 residents experiencing homelessness on any given night in Denver, the City and its partners will pursue an integrated approach to providing supportive housing, health services and job training opportunities to support our most vulnerable residents.

Expand investments in housing options for residents experiencing homelessness and integrate providers across the housing continuum. The City and its partners should effectively target housing resources by fully implementing and expanding the regional Coordinated Entry Systems (CES), OneHome, and employing shelter diversion strategies to help residents identify alternative housing options, and connect to services and financial assistance to quickly return to permanent housing.



Build housing capacity through policy and funding alignment. The City and its partners should harness resources and integrate investments across the housing continuum to develop additional supportive housing and evaluate performance of local projects to resolve episodes of homelessness more quickly.



Prioritize supportive services “gap” funding for approved supportive housing projects. The City and its partners should build a supportive services funding program to create and preserve quality supportive housing, prioritizing funding for existing supportive housing projects and establishing a framework to review, rank and award critical service funding to supportive housing projects in the pipeline.



Affordable and Workforce Rental Housing

Skyrocketing housing costs and stagnant wages have put most rental units out of reach for low- and moderate-income families, with a shortage of approximately 26,000 housing units for the lowest earners. The City and its partners are focused on strategies that produce new affordable options and stabilize those at risk of displacement to prevent residents, especially those living on fixed-income such as seniors and people on disability, from becoming homeless.

Preserve existing income-restricted affordable rental housing in vulnerable neighborhoods and near transit. The City and its partners should pursue proactive strategies to support priority preservation projects through acquisition and rehabilitation financing, and by developing a bridge finance tool to strategically acquire affordable properties while long-term financing options are assembled.



Preserve affordability of unsubsidized large-scale affordable rental properties.

The City and its partners should develop and maintain an inventory of unsubsidized large-scale affordable properties, educate existing owners about the creative financing tools that are available for preservation, and support development partners in directly acquiring unsubsidized properties utilizing tools such as bridge financing and 4% Low Income Housing Tax Credits.



Preserve affordability of unsubsidized small-scale affordable rental properties.

The City and its partners should explore a package of financing tools to incentivize existing owners to preserve unsubsidized small-scale properties and explore financing tools to strategically acquire these properties.



Promote programs that help families stay in their existing rental housing through comprehensive eviction assistance. The City and its partners should continue to support direct financial assistance aimed at stabilizing residents experiencing a housing crisis to help prevent eviction, displacement, and homelessness.



Promote development of new affordable, mixed-income and mixed-use housing.

The City and its partners should explore financing mechanisms to better support mixed-income development, including ways to enhance Colorado’s State Low Income Housing Tax Credit and partnerships with local employers.



Promote programs that help families access affordable rental housing. The City and its partners should implement and evaluate the success of the proposed LIVE Denver program to buy down affordability of existing vacant rental units and explore ways that tenant assistance can better serve residents experiencing homelessness.



Attainable Homeownership

Since support for affordable homeownership opportunities can help residents build wealth and transition out the rental market (leaving an existing rental unit available for another household along the housing continuum), the City and its partners will invest to build and preserve affordable for-sale housing units. And with nearly 35,000 homeowners paying too much for their existing homes, many of them in areas with rapidly rising property taxes, the City and its partners will work to stabilize residents at risk of displacement through tax relief and other programs.

Promote programs that help families maintain their existing homes. The City and its partners should target existing homeowner rehabilitation programs to residents in vulnerable neighborhoods, promote financial literacy education for prospective and existing homeowners, and promote the development of accessory dwelling units as a wealth-building tool for low and moderate-income homeowners.



Promote development of new affordable and mixed-income homeownership stock. The City and its partners should implement and evaluate the success of current efforts to incentivize creative financing mechanisms to develop mixed-income condos.



Preserve affordability of existing income-restricted homeownership stock. The City and its partners should explore partnerships with key nonprofit and foundation partners to preserve income-restricted homes built under the previous Inclusionary Housing Ordinance or major development agreements.



Preserve affordability of existing unsubsidized affordable for-sale housing. The City and its partners should explore tools to help preserve the city's existing affordable housing stock, such as through land trusts or shared appreciation loans.



Promote programs that help households access for-sale housing. The City and its partners should continue to support programs that provide down payment and mortgage interest tax incentives for low and moderate-income residents and explore new tools such as escrow agreements or lease-to-own models.



A Focus on Serving Residents

Housing an Inclusive Denver signifies a shift from previous planning efforts that have focused primarily on citywide housing strategies with a preference for creation of new units. *Housing an Inclusive Denver* recognizes that neighborhoods across the City face different challenges, have varying conditions, and offer different opportunities to residents.

- If federal and local resources remain consistent with current levels, **the City and its partners aim to leverage the proposed strategies within *Housing an Inclusive Denver* to create or preserve approximately 3,000 housing units by 2023.**
- The City and its partners will measure effectiveness of housing investments not just by the sheer number of units created or preserved, but by the number of residents who are served through housing investments. If federal and local resources remain consistent with current levels, **the City and its partners aim to leverage the proposed strategies within this plan to serve at least 30,000 households by 2023 with programs aimed at stabilizing residents at risk of displacement or those seeking to obtain housing.**

Prioritization Along the Housing Continuum

Feedback received from members of the public, housing stakeholders and members of the Housing Advisory Committee during the development of *Housing an Inclusive Denver* focused on finding a balance of investment along the housing continuum.

While investment along the housing continuum can help ensure there are options available for each population, feedback across stakeholders indicated a need to target housing resources toward the most vulnerable residents in Denver experiencing homelessness and those earning below 30% AMI. Based on feedback received as part of the *Housing an Inclusive Denver* planning process, the following targets will be used to guide housing investments aligned with the values, goals and strategies included in this plan:

40 – 50% of housing resources will be invested to serve people earning below 30% of Area Median Income (AMI) and those experiencing homelessness who are seeking to access or maintain rental housing, including:

- **20-25% of housing resources** to serve residents experiencing homelessness
- **20-25% of housing resources** to serve residents earning below 30% AMI

20 – 30% of housing resources will be invested to serve people earning 31% to 80% AMI who are seeking to access or maintain rental housing.

20 – 30% of housing resources will be invested to serve residents seeking to become homeowners or remain in homes they already own.