What are we thinking?

"I have seen changes in the lives of people given the opportunity to live in affordable housing. This is not just about real estate – this is about people."

– Susan Powers, president, Urban Ventures & co-founder, Mothers Advocating for Affordable Housing (MAAH)
What are we thinking?

1. Median Colorado Home costs 1/3 more than national average

"As moderate to middle-income households buy and rent that existing housing stock, the people who get pushed out and left behind are the lower-income working families who can’t afford to compete."

– Ismael Guerrero,
executive director,
Denver Housing Authority

What are we thinking?

1. Median Colorado Home costs 1/3 more than national average
2. High travel and high housing costs impact members of our society
   • Choices about healthy Food and Medicines

Fewer condos means more sprawl, says Tom Clark of Metro EDC. If you want to buy a starter home, "you don't have any option but to drive until you qualify."
What are we thinking?

1. Median Colorado Home costs 1/3 more than national average
2. High travel and high housing costs impact members of our society
3. Community cohesiveness requires inclusion – not mono-culture

At Aria Denver, Chuck Perry describes a “community-building” strategy, that encompasses local food, healthcare, and pedestrian networks. The resulting impact on residents’ household budgets "can dramatically help to improve the quality of people’s lives because they don’t have to decide between paying rent or paying for food, or paying rent or paying for medicine."

What are we thinking?

1. Median Colorado Home costs 1/3 more than national average
2. High travel and high housing costs impact members of our society
3. Community cohesiveness requires inclusion – not mono-culture
4. Creation of New Housing cannot keep pace with growth

In Colorado, we’re losing 3,000 affordable homes coming off deed restrictions every year,” says Dick Taft, president and CEO of the nonprofit homebuilder Rocky Mountain Communities. "We’re [only] building at a rate of 1,800 homes a year."

“Our population is growing much faster than our housing stock and the gap continues to grow."

— Rick Padilla, Director of Housing and Neighborhood Development, City and County of Denver
What are we thinking?

1. Median Colorado Home costs 1/3 more than national average
2. High travel and high housing costs impact members of our society
3. Community cohesiveness requires inclusion – not mono-culture
4. Creation of New Housing cannot keep pace with growth
5. Growing Companies cannot fill needed positions

"Density is the key. It’s the key to the viability of local economies and it allows for inclusionary components."

-- Chad Holtzinger, president,
Shopworks Architecture
ULI HOUSING COMMITTEE

2015 Charrette to identify **Barriers** and **Solutions**
to the Creation and Preservation of Affordable Housing in Colorado

4 BASIC CATEGORIES OF STUDY

1. Regulatory
2. Social
3. Physical
4. Economic
### REGULATORY

<table>
<thead>
<tr>
<th>Challenge Name</th>
<th>Discussion Points</th>
<th>Solutions/ideas</th>
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| **Construction Defects** | • No condos built  
  o Limits development of entry-level multifamily housing  
  o Limits smaller multifamily projects (only large scale projects are feasible)  
  o Local government attempting to solve  
  o State political environment  
    o Timing, constituents, etc.  
    o Need more education and messaging  
  o Commentary from UI | • Outreach to understand differing positions  
  • In Denver  
    o 30+ unit projects must include 10% affordable housing (up to 120% AMI)  
    o not being used, which artificially deflates project sizes  
    o In-lieu option is popular but lacks effective implementation  
  • Boulder program showing some success  
  • Taxing larger projects  
  • Cities facilitating programs need improvement  
  • Relationship to rent controls |}

| **Inclusionary Housing** | • No condos built  
  o Limits development of entry-level multifamily housing  
  o Limits smaller multifamily projects (only large scale projects are feasible)  
  o Local government attempting to solve  
  o State political environment  
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| **Zoning** | • Re-zoning process fraught with NIMBYism  
  • Artificial cap on market supply  
  • 6-8 month process  
  • Minimum parking requirements (TOD/senior precedents)  
  • Other infrastructure requirements | • Re-name to workforce housing  
  • Fast track affordable housing permits  
  • Allow bike share/shared parking  
  • Cooperation among jurisdictions to share data to challenge opposition  
  • Look outside Colorado for successful approaches  
  • Limit the re-zoning process to minimize NIMBYs |}

| **Other Challenges** | • Approval/entitlement process  
  • Limited CHFA application rounds  
  • Section 8  
  • Urban Renewal Legislation  
  • Rent Control | |}

### SOCIAL

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| **NIMBY** | • Negative perceptions  
  o Quality  
  o Safety  
  o Demographics  
    o Homeless  
    o Senior  
    o Workforce  
    o Single parent families  
  • Density adverse  
    o Traffic and parking issues  
    o Unit typology (prefer single family units, avoid multifamily, co-housing, etc.)  
  • Bad reputation from previous projects not done well | • Early Outreach – timing important, not “overcooked” plans at early meetings  
  • Including non-developer stakeholders in discussions  
  • Educate on design to accommodate density |}

| **Location** | • Exclusivity  
  • Belongs somewhere else  
  • Homogenous land use  
  • Income-level and class distinction (rental versus ownership) | • Recognition of affordability as a regional problem  
  • Value of diversity  
  • New zoning typologies |}

| **Gentrification** | • Losing existing affordable housing stock  
  o Affordable homes being replaced with newer and larger homes  
  o Rental units are timing out and not being preserved | • City gets first right to purchase IHO units  
  • Stronger IHO ordinances, higher density zoning  
  • National level – preserve affordable housing by rent to own program  
  • Preservation ordinances strengthen, early warning systems, funding |}

| **Other Challenges** | • Growing senior population  
  • Misconceptions about  
    o Who needs affordable housing  
    o History of public housing (reputation)  
    o Construction quality  
    o Compatibility with existing neighborhoods | |}
## PHYSICAL

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| Construction Technologies | • Subject to market forces  
|                        |   • Wood – no labor                                    | • Multi-disciplinary design                                                                 |
|                        |   • STU $                                               | • Stormwater detention in parking lots and tree lawns/gardens                                         |
|                        |   • Concrete $$$                                        | • Stairways                                                                                           |
| Health                 | • Gardens                                              | • TOO                                                                                                 |
|                        | • Walkability                                          | • Buying existing multi-family properties 4% LIHTC (economy of preserving vs. building new)           |
|                        | • Smoke-free                                           | • Most investors looking for $55K rental unit                                                        |
| Building Re-use        | • Represents a significant reservoir of housing opportunity |                                                                                                     |
|                        | • Could be good locations with transit and services   |                                                                                                     |
|                        | • Reinvestment is exciting to neighbors                |                                                                                                     |
|                        | • Is hard!                                              |                                                                                                     |
| Enriching the community | • Enrich the community with building and development | • Include quality public space in projects                                                            |
| Other Challenges       | • Security                                              |                                                                                                     |
|                        | • Barrier free (i.e., ADA)                             |                                                                                                     |
|                        | • Proximity to services (transit/convenience vs. land value) |                                                                                                     |
|                        | • Water quality/detention with limited space           |                                                                                                     |
|                        | • Pressure to be like market rate                      |                                                                                                     |
|                        | • Community expectations for good design (“No kidding”)  |                                                                                                     |
|                        | • Sustainability (keep utility expenses down but fights w/constructions costs and upfront expenses) |                                                                                                     |
|                        | • Cars – linked to transit modes                        |                                                                                                     |

## ECONOMIC

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| Lack of Financial Resources | • Both development and operational expenses  
|                        |   • Need revenue and vouchers                                                                       | • Social bond program – tax incentives to give money toward housing                                    |
|                        |   • Dearth of local and state funding compared to peers                                             | • Encourage mixed-use (hotel, micro-units, etc.)                                                    |
|                        |   • Creates competition amongst advocates                                                            | • Development/impact fee for commercial projects (how much housing does your project generate – development fee to pay for the affordable housing need created by the development) |
|                        |     • Legal costs rise                                                                                 |                                                                                                     |
|                        |     • Coordination issues                                                                             |                                                                                                     |
|                        |     • Complexity across programs                                                                     |                                                                                                     |
|                        | • Idle capacity                                                                                       |                                                                                                     |
| Economic Pressures     | • Land and labor costs                                                                              | • Land banking                                                                                       |
|                        | • Gentrification and displacement                                                                   | • Adaptive re-use of under-utilized property                                                          |
|                        |   • Concentration of poverty                                                                        | • Demonstrate risk developer is taking                                                               |
|                        |   • Market rents/occupancy rising                                                                   |                                                                                                     |
|                        | • Cost to subsidize rising                                                                            |                                                                                                     |
|                        | • Quantity versus quality issues                                                                     |                                                                                                     |
|                        | • Fear of market bubble                                                                              |                                                                                                     |
|                        |   • Higher AMI competition                                                                            |                                                                                                     |
|                        | • Transitional neighborhoods                                                                         |                                                                                                     |
| Infrastructure         | • Every parcel has to solve its own infrastructure                                                  | • Reduce tap fees, parking requirements, etc.                                                       |
|                        |   • Water, storm, utilities, streets/curbs                                                           |                                                                                                     |
|                        | • No savings or discounts for affordable housing                                                     |                                                                                                     |
|                        | • Lack of ability to use certain sources                                                             |                                                                                                     |
|                        | • Urban Renewal Issues                                                                               |                                                                                                     |
|                        |     • New legislation                                                                                 |                                                                                                     |
|                        |     • Perception                                                                                    |                                                                                                     |
| Other Challenges       | • Inability to finance mixed income                                                                 |                                                                                                     |
|                        | • Land cost leads to displacement concentrations                                                      |                                                                                                     |
|                        | • Construction costs                                                                                 |                                                                                                     |
|                        | • Limited Cash flow                                                                                  |                                                                                                     |
|                        | • Income slower than inflation                                                                       |                                                                                                     |
|                        | • LIHTC allocation uncertainty                                                                       |                                                                                                     |
|                        | • Infrastructure and TOD                                                                             |                                                                                                     |
|                        | • Economic prosperity and equity                                                                     |                                                                                                     |
|                        | • Interest rate sensitivity                                                                          |                                                                                                     |
|                        | • Declining federal support                                                                          |                                                                                                     |
|                        | • Increasing operational expenses                                                                    |                                                                                                     |
|                        | • Resources prioritization: For-Sale versus Rental                                                   |                                                                                                     |
|                        | • Construction defects cost effect                                                                   |                                                                                                     |
Housing diversity is necessary for communities to thrive

Density development in a small package.
- Construction defects (distractions) reform must be a priority. Affordable housing is economically built, inherently affordable and generally appropriate to neighborhoods with established density. This housing represents an entire product type that is vital to the planning community's future. As we see quadrupled by the thousands, we are missing the rents. Denver must purchace on this topic, and 2013 is the year.
- The state of Colorado must extend and consider expanding the state tax credit for low- and moderate-income housing. Such programs proved to be extraordinarily effective at housing units for households with low incomes.
- Municipalities must encourage the preservation of existing affordable housing, and seek opportunities to create new inventory from existing buildings.
- Denver must provide incentives and change that we can enact in 2013. Additionally, we much take our concept of affordable housing. Instead of concentrations of poverty, housing represents the economic engine of our region and, to the extent that we have a diverse usage of housing options, we will be capable of creating the kinds of opportunities and such the culture and heritage that our neighborhoods were built up and maintaining intergenerational communities.
- Affordable housing developers need to be deployed on these projects and disperse throughout the city with a variety of housing types to support neighborhoods. Diversity, economic diversity, and the culture of neighborhoods and their communities. This will have a profound impact on where the culture and heritage of our region are located. As we face greater competition for land, we must understand the role that affordable housing plays in our city and how to support it sustainably to serve all of our communities.

COMMUNITY INVOLVEMENT

AIA Denver's Community Design Committee and the AIA Denver Housing Council have been working closely on this issue with the City of Denver, the Denver Metropolitan Housing Authority and the City and County of Denver, as well as the Denver Housing Authority and the City and County of Denver. The discussions have been ongoing and will continue to be ongoing. The goal is to create a comprehensive plan for affordable housing in Denver that will provide a blueprint for the city's future and guide the development of affordable housing in the city.

INTENDED AUDIENCE

1. Policy Makers
2. Development Community
3. Neighborhood Organizations / Communities
4. “Joe Public”
- DRCOG Fund – Regional problem should warrant regional response
- Understanding + Advocacy
- Condos
- “Colorado Real Estate and Development Trust” – Capacity building within the state.
- Transit innovations – think Shared Cars, Bikes and enhanced modes like Lyft and Uber