

EHA ADVISORY COMMITTEE SUMMARY

Videoconference Session on November 16, 2021, 4:00-6:00 pm

Meeting Highlights

This session of the Advisory Committee covered the following topics:

- The staff provided an overview of the staff's [proposed Expanding Housing Affordability \(EHA\) policy](#) for Mandatory Housing requirements, incentives, and linkage fee.
- The staff reviewed the feedback received from the numerous outreach events and forums from July – November 2022. The Advisory Committee members also shared their take-aways from the forums they attended.
- Based on the discussion, the Committee members focused further discussion of possible resolution of areas where there remain significant differences of opinion.
- The staff presented the proposed implementation schedule and opportunities for additional input.

Key background information is available on the [Expanding Housing Affordability website](#), including but not limited to: List of advisory committee members (on the Meet the Advisory Committee Link); Background Report (on the Resources and Downloads Link); Presentation materials for this and prior meetings (Get Caught Up: Project Archive: Advisory Committee); and four Informational Videos: 1) Affordable Housing Basics; 2) Project Overview; 3) Denver's Housing Market; 4) Peer City Research (on the Resources and Downloads Link); and 5) the Financial Feasibility Report and Executive Summary.

Action Items

- The Project Team will continue to gather input through one-on-one input, conversations with community and industry groups and written comments to inform the staff proposal through the end of the year.
- The revised proposal will enter the formal legislative review process with public hearings at the beginning of 2022 along with an updated policy document to clearly show where changes have been made.
- Advisory Committee members are encouraged to provide additional feedback to Analiese Hock, Project Manager from the Denver Community Planning and Development (CPD) (analiese.hock@denvergov.org) and Bradley Weinig, Denver Dept. of Housing Stability (HOST) (Bradley.Weinig@denvergov.org). Additional opportunities for one-on-one conversations to answer questions will also be arranged on request.
- Next Meeting of the Advisory Committee will be February 2022.

Setting the Context

Brad Weinig, HOST, and Analiese Hock, CPD reviewed the legislative driver and general affordable housing needs in Denver and the guiding principles that have shaped the development of the staff's proposal for

Comments and Feedback to Date on the Mandatory Program with Incentives

Analiese Hock, CPD, presented the summary of feedback received from July to November 2021 through various forms of outreach, including the Advisory Committee meetings, City Council and Planning Board meetings, community group and industry organization presentation, open House sessions and Focus Groups. (See slide presentation for details.)

The Advisory Committee members were invited to share their what they heard regarding what works well in the proposal and where stakeholders expressed significant differences in opinion about whether the staff proposal was achieving a balance among the multiple objectives outlined at the beginning of the meeting. The members were also invited to suggest specific alternatives for bridging the gap where these differences remained. Below are some of the concerns and suggestions offered.

Achieving Adequate Mix of Affordable Housing

- Several developers and community groups expressed appreciation for the transparency and thorough analysis that went into the development of the proposal.
- Developers generally liked the menu of options, which provides flexibility, and the timeline for implementation.
- A member noted that the policy could work well for developers who are proactively pursuing more of a workforce strategy.

- The City Council voiced concerns that the proposal does not require more affordable housing at the 60% Area Median Income (AMI) range, while some developers expected the requirement to be focused on 80% AMI and above.
- YIMBY suggested that the mandatory requirement should be applied at lower unit size developments (below 8 units), including projects that “scrape” existing single-family housing to replace it with 2-7 units.
- A developer suggested that if applied to projects under development today, the mandatory requirement would push the project into the range of financial infeasibility. But over time, changes in land prices, rent and sale prices, and general expectations will allow a shift to financial feasibility.
- Several individuals raised the concern that the proposed policy will shift costs to market rate housing and/or discourage development of new housing in high-cost markets.
- Some suggestions to address these concerns:
 - a. Require a higher percentage of units at 60% AMI
 - b. Allow 100% AMI to be included in for-sale affordability requirements
 - c. Apply requirements to developments with less than eight units
 - d. Ensure that the Prioritization Policy works in concert with this proposal to keep vulnerable people in place
 - e. Reduce requirements in high-cost markets

Incentives and Fees-in-Lieu

- One member raised the concern that the incentives and fee-in-lieu option would make it more favorable to opt out of development of on-site affordable housing. A developer confirmed the staff’s analysis that the fee-in-lieu was set to make it less favorable than building affordable housing.
- Developers were generally pleased with the inclusion of incentives, but some argued that the city should consider incentives that had a greater impact on a project’s bottom line.
- Developers generally liked increased density incentives, while community members were mixed.
- Suggestions for addressing some of these concerns included:
 - a. Create incentives to reward partnerships (with HOST or other groups) to build in more and deeper affordable units particularly in neighborhoods vulnerable to displacement.
 - b. Provide deeper incentives to offset costs and clarify incentives proposed
 - c. Give the community a greater voice in working with the developer when applying incentive options.

Other General Feedback

- Need for flexibility to adjust the policy as market conditions change
- Expedite or streamline the development approval process
- Not enough being done to reduce displacement pressures in vulnerable neighborhoods
- Greater consideration of the unique needs of NEST neighborhoods
- Suggestions to address these concerns included:
 - a. Tailor requirements to meet the needs of the most vulnerable neighborhoods (e.g., deeper affordability requirements); encourage developers to work with these communities to meet their needs
 - b. Prioritize fee-in-lieu dollars to create deeper affordable housing in vulnerable neighborhoods

Comments and Feedback on Linkage Fee Proposal

Anliese Hock reviewed the feedback received on the linkage fee proposal from the outreach forums. (See slides for details). The Advisory Committee members were invited to share their what they heard regarding what works well in the proposal and where stakeholders expressed significant differences in opinion about whether the staff proposal was achieving a balance among the multiple objectives outlined at the beginning of the meeting. The members were also invited to suggest specific alternatives for bridging the gap where these differences remained. Below are some of the concerns and suggestions offered.

Linkage Fee

- Retail developers expressed concern with the level of linkage fees, especially for mixed-use developments, which they feel results in paying twice.
- Retail developers also suggested that Denver sales tax could be at risk if retailers can’t afford to continue to occupy space
- YIMBY said that to the extent linkage fees are applied to scrapes of older more affordable homes and rebuilds of larger/luxury homes, it makes sense for linkage fees to be high.

- YIMBY also expressed concern about setting linkage fees too high on retail/business and the impact on development that includes them.

Public Comment Period

- There were no public comments

Proposed Implementation and Next Steps

Analiese Hock noted that the implementation schedule is designed to balance the immediate need to address affordable housing, the potential impact of these changes on the market, and program staff and systems needed to effectively implement the policies. Additional outreach is planned for the coming weeks; any revisions to the policy proposal will be shared with the Advisory Committee for further input at their next meeting in November.

Participants

Advisory Committee Members

Councilwoman Amanda Sandoval - District 1

Candace Kristensson - University Park Community Council (current president)

Dain Schiele - Lowry United Neighbors

Darion Mayhorn - East Colfax Neighborhood Association (member); East Colfax Community Collective (member); The Fax Partnership (board member)

Dimitrii Zavortny - YIMBY Denver

Dominique Acevedo - Northeast Denver Housing Center

Dorit Fisher- Shames-Makovsky, Downtown Denver Partnership (board member)

Ean Tafoya - Denver Inter-Neighborhood Cooperation, Colorado Latino Coalition

Jeffery Bader - DURA

Jennie Rogers - Enterprise Community Partners, Colorado Division of Housing Strategic Housing Working Group

Jessie Adkins - Shears Adkins Rockmore

Kirsty Greer, McWhinney; RiNo General Improvement District (board member); Denver Metro Commercial Association of Realtors (board member)

Nola Miguel - Globeville, Elyria-Swansea Coalition Organizing for Health and Housing Justice

Rhys Duggan - Revesco Properties

Councilwoman Robin Kniech - At-large

Ryan Keeney - YIMBY Denver (co-founder and board secretary), Capitol Hill United Neighborhoods (board delegate)

Shane Southerland – Greater Park Hill Community RNO (Vice-Chair)

Community Land Trust (board member)

Shelly Marquez - Wells Fargo, Housing Colorado Board; Community First Foundation Board; Enterprise Community Partners

Tim Welland - Palisade Partners

City Staff

Analiese Hock, Project Manager, CPD

James Van Hooser, CPD

Sarah Showalter, CPD

Jill Jennings Golich, CPD

Brad Weinig, HOST

Jon Colarelli, HOST

Consultant Team

Catherine Morris, Consensus Building Institute