Expanding Housing Affordability (EHA)

38th & Blake Legislative Rezoning Summary
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.
Height Incentives (citywide)

Additional height is proposed for mixed-use commercial (MX, MS, CC) and multi-unit residential (RX, MU, RO) zone districts of 3 or more stories in exchange for more affordable housing.

Goals:

• Generate more affordable housing and more housing overall
• Create consistent incentive approach across the city
• Continue to support development in areas near transit, jobs, services, amenities, etc.
## Proposed Incentive Height and Locations

<table>
<thead>
<tr>
<th>Base Height</th>
<th>Incentive Height</th>
<th>New Height with Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>+1</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>+2</td>
<td>7*</td>
</tr>
<tr>
<td>8</td>
<td>+4</td>
<td>12*</td>
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<tr>
<td>12</td>
<td>+4</td>
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<tr>
<td>16</td>
<td>+6</td>
<td>22*</td>
</tr>
<tr>
<td>20</td>
<td>+10</td>
<td>30*</td>
</tr>
</tbody>
</table>

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

**Downtown FAR-based districts**

**Interactive Map Link**

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[Map Image]
How does the 38th & Blake Station Area fit in?

- 38th & Blake Incentive Overlay (IO-1) was a pilot project
- Adopted in 2018
- State law prevented a mandatory affordability requirement, so only incentives were used
- Offered height incentives in exchange for affordable housing, increased fees (non-residential projects), and community serving uses
Lessons Learned from 38th & Blake

• Number of affordable housing units is too low
• Deeper affordability is desired
• Affordable housing outcomes are inconsistent and unpredictable
• Important to maintain overall development potential near transit
38th & Blake Today

• Maximum incentive heights today range between 5 and 16 stories (12 stories max is most common)

• Most projects do not provide any affordable units (no requirement)

• Projects that use incentive height generate 2% to 5% affordable units at 80% AMI
38th & Blake Tomorrow

- Require all residential projects (base and incentive) to provide on-site affordable housing
- Generate 2 to 3 times more affordable housing and at lower AMI levels
- Be consistent with citywide requirements and eliminate the need for custom administration
38th & Blake Tomorrow (cont.)

To achieve this:

• Remove current overlay with no change in base height (majority of area)
• Increase base heights in some locations
• Maximum heights will stay the same
Digging into the Details
Why does EHA Require this Rezoning?

- Height incentives were the most effective way to encourage affordable housing when the 38th & Blake overlay was first created (before state law changed).

- Difference between base and incentive height was maximized to increase the likelihood of affordable housing outcomes.

- Under EHA, a low base height is no longer necessary to create affordable housing.
Why does EHA Require this Rezoning? (cont.)

- Incentive heights proposed by EHA is less than current IO-1
- Low base heights restrict our ability to focus growth near transit, services, amenities, etc.
- Adjustments to base height are needed to maintain current incentive heights recommended in adopted plans
Proposed 38th & Blake Rezoning

• Remove existing incentive-only system and replace with EHA mandatory requirements + incentives

• Increase base heights in some areas to be consistent with adopted plans as appropriate for a transit area

• No increase to maximum incentive heights
Proposed 38th & Blake Rezoning (cont.)

- Does NOT change Industrial (I-A, I-B) zone districts like the Pepsi site, Rock Drill, etc.
- Does NOT change any Open Space zone districts
Proposed Base Height Adjustments

- Majority of area has no change in base height
- Area with largest change in base height (5 stories to 12 stories) is only 4% of total and nearest to the rail station
- EHA mandatory affordable housing requirements apply to all projects (base and incentive)
An Example (Base Height)

New 8-story residential building with 160 total units

**TODAY (IO-1):** Within Base Height of 8 stories = Linkage fee only, no affordable housing requirement

**TOMORROW (EHA):** Within Base Height of 8 stories = 8% requirement = **13 affordable units @ 60% AMI**

**TODAY**

8 Stories
Current Base Height

160 Units
Linkage Fee
or
1-2% Affordable
= 3 units @ 80% AMI

**TOMORROW**

8 Stories
Same Base Height after Rezoning

+10-13 affordable units

160 Units
Linkage Fee
or
8% Affordable
= 13 units @ 60% AMI
An Example (Incentive Height)

New 12-story residential building with 240 total units

**TODAY (IO-1):** 8 stories (Base Height) + 4 stories (Incentive Height) = 9 affordable units at 80% AMI (less than 4% of total)

**TOMORROW (EHA):** 8 stories (Base Height) + 4 stories (Incentive Height) = 10% requirement = 24 affordable units @ 60% AMI
Affordable Housing Outcome Comparison

- **More** Affordable Housing in **All** Development, base or incentive, and regardless of any base height changes
- **Lower** Incomes Served in **All** Outcomes
- **More** Housing Opportunities Overall
Non-Residential Projects near 38th & Blake

- Existing overlay allows non-residential projects to pay a fee in exchange for the existing height incentive.

- Under EHA, Urban Center (C-) zone districts within 1/2 mile of rail stations can pay higher linkage fees to access incentive height.
Other Components of Existing 38th & Blake Overlay

• Existing height transitions are addressed in EHA through expanded height limits near Protected Districts

• Community serving use agreement in lieu of increased linkage fee payment
  • None have been successfully executed under the overlay
  • Problematic over time as tenants and community needs change
  • Could still be included as part of a negotiated alternative in EHA
Thank you!

Please contact CPD or HOST with any additional questions.

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