PRO-HOUSING:
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CITY AND COUNTY OF DENVER

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EXHIBIT A: EXECUTIVE SUMMARY
CITY AND COUNTY OF DENVER
The City and County of Denver is excited to submit our application for the consideration of PRO Housing grant funding from the U.S. Department of Housing and Urban Development (HUD) to remove barriers to the production and preservation of affordable housing. With more than 115,000 Denver households struggling to keep a roof over their heads, paying more than 30% of their income toward housing, and more than 5,800 people experiencing homelessness, we are committed to identifying and addressing our citywide need for affordable housing.

In the past few years, we have implemented several affordable housing measures that normalize non-traditional households; expand shelter for our most vulnerable populations; require income-restricted units in denser developments; increase our capacity for expediting affordable housing; encourage gentle density through the construction of more accessory dwelling units; preserve affordable housing in high opportunity areas; and invest in underserved communities.

HUD has already determined that Denver’s availability of affordable housing is not keeping pace with population growth. Other factors affecting the acute demand for affordable housing include displacement pressures; homelessness; the ratio of median home price to area median income; housing stock condition and age; and the lack of missing middle housing. Despite recent efforts, several key barriers still exist and need to be addressed to produce and preserve more affordable and accessible housing, including zoning and land use controls; building, fire, and energy codes; permitting procedures; and infrastructure constraints.

To overcome these barriers, our proposal encompasses nearly $20 million in grant funding and local commitments across eight activities that will help meet the need for more affordable housing throughout the city, and particularly in areas adjacent to existing and planned transit, areas of opportunity, and neighborhoods vulnerable to displacement. These activities are described in the narrative and include:

- Activity 1: Regulatory and Process Reform
- Activity 2: Missing Middle Housing
- Activity 3: Infrastructure Analysis
- Activity 4: Affordable Housing Review Team Capacity
- Activity 5: Affordable Housing Review Team Staff
- Activity 6: Development Review Technical Assistance Tools
- Activity 7: Infrastructure and Environmental Remediation Contingency Loan Fund
- Activity 8: Grant Program Administrator

If awarded grant funding, we would implement these activities between January 2024 and September 2029.
EXHIBIT B:
THRESHOLD REQUIREMENTS AND OTHER SUBMISSION REQUIREMENTS
CITY AND COUNTY OF DENVER
The City and County of Denver, as a city or township government, is an eligible applicant in accordance with Section III.A of the NOFO. The City and County of Denver does not have any outstanding civil rights matters listed in Section III.D of the NOFO that would deem it an ineligible applicant. The City and County of Denver submitted a single application in a timely manner on October 27, 2023, prior to the deadline of October 30, 2023. In its application, the City and County of Denver complied with all other submission requirements in Section IV.G of the NOFO, including the following standard application forms, assurances, certifications, and disclosures:

- Standard Form 424 (SF-424) Application for Federal Assistance: submitted on grants.gov
- Assurances (HUD 424-B): submitted on grants.gov
- Applicant Disclosure Report Form 2880 (HUD 2880): submitted on grants.gov
- Code of Conduct:
- Affirmatively Furthering Fair Housing: described in this application
- Other Program-Specific Requirements
  - Limited English Proficiency (LEP): complied with requirements in developing this application and will continue to comply upon award
  - Physical Accessibility: complied with requirements in developing this application and will continue to comply upon award
  - Environmental Review: will comply upon award
  - Federal Assistance Assurances: provided within sam.gov
  - 424-CBW Budget Form: submitted on grants.gov
  - Certification Regarding Lobbying: submitted on grants.gov
  - Disclosure of Lobbying Activities (SF-LLL): submitted on grants.gov
EXHIBIT C: NEED
CITY AND COUNTY OF DENVER
I. DESCRIBE YOUR EFFORTS SO FAR TO IDENTIFY, ADDRESS, MITIGATE, OR REMOVE BARRIERS TO AFFORDABLE HOUSING PRODUCTION AND PRESERVATION.

With more than 115,000 households struggling to keep a roof over their heads, paying more than 30% of their income toward housing, and more than 5,800 people experiencing homelessness, the City and County of Denver is identifying and addressing our citywide need for affordable housing. In 2019, the city adopted Blueprint Denver, an inclusive plan that identifies numerous strategies to improve land use and mobility measures that affect the quality of life for all residents. Since the plan’s adoption, we have successfully implemented several plan goals to identify, address, mitigate, and remove barriers to affordable housing production and preservation, as described below.

**Group Living:** In February 2021, City Council approved the Group Living project, which updated the zoning code to overcome historical biases and recognize modern living situations by increasing the number of allowed, unrelated individuals living together from two to five persons, thereby making it legal for non-traditional households, like students or friends, to split rent or co-own homes. It also expanded the allowable locations for congregate living, such as co-ops and sober living homes, and residential care facilities, including assisted living facilities and homeless shelters, to ensure such facilities can be established near transit and services rather than be relegated to isolated, industrial areas. As of the middle of 2022, two new residential care facilities were permitted and complaints regarding the number of unrelated occupants living in a household decreased by 40% as compared to 2021.

**Expanding Housing Affordability:** In June 2022, City Council approved the Expanding Housing Affordability regulatory package enabled by Colorado House Bill 21-1117, which allowed more flexibility for local governments to require affordable housing in new developments. This signature initiative to increase the production of affordable, accessible housing in all new development was the culmination of a multi-year effort led by the departments of Community Planning and Development (CPD) and Housing Stability (HOST) working with local partners, the development community, and members of the public.

While the state enabling language required that alternatives be offered to the construction of affordable housing (e.g. a “fee-in-lieu” compliance option), the program was designed and informed by economic modeling to promote the creation of affordable housing within all new multi-unit developments. The resulting mandatory affordable housing regulation, an “inclusionary zoning”-style policy that applies to all new residential developments of 10 or more units, requires residential developers to income-restrict 8-18% of units, depending on the project’s location and use of incentives. The regulation prioritizes the creation of rental units for households earning below 60% of the area median income (AMI) and ownership units for households earning below 80% AMI, while offering developers a degree of flexibility by providing multiple compliance options and an opportunity to negotiate alternative arrangements that advance the intent of the ordinance. Additionally, the program divides the city into “high” and “typical” market areas. High market areas include Denver neighborhoods with the highest land values. These areas often overlap with high-opportunity areas and typically lack affordable housing. The adopted policy requires a higher percentage of affordable units in these areas, and it also sets a higher rate for in-lieu fees.
Zoning and financial incentives were paired with the mandatory affordable housing regulation to support market-rate developers, as they both contribute to affordable housing solutions and to the overall housing supply. These incentives also encourage higher percentages of affordability and promote the on-site construction of affordable housing. In exchange for 2-3% more affordable units, developers may have access to reduced and/or waived parking requirements, permit fee reductions, and by-right height increases.

The regulations also included an update to the city’s linkage fee, which applies to all commercial, industrial, and small-scale residential projects with 1 to 9 units. All development in Denver was already subject to a linkage fee that supports Denver’s Affordable Housing Fund, which is used to build and preserve affordable housing for people with lower incomes. Fee obligations are higher in high market areas, and the fee will gradually increase over three years to better align with peer cities, at which point it will be annually adjusted for inflation. The city offers an exemption from the Affordable Housing linkage fee for accessory dwelling units.

All income-restricted units created by the program are to be marketed in line with HOST’s Equitable Fair Marketing Policies and Procedures, which are directly based on the fair marketing requirements for projects funded by the HUD. Finally, within any larger market-rate development, the income-restricted units must be evenly distributed across the property; must be comparable in size, quality, and design to the market-rate units; and must be made accessible per the city’s building and fire codes in a ratio equal to or greater than that of market-rate accessible units in the development.

While this suite of policies will significantly increase the opportunity for low- and moderate-income Denverites to move into more affordable and accessible dwelling units, no projects subject to the mandatory affordable housing regulation have yet been constructed because the regulation is so new. However, the city recently approved the Warren Village III at Alameda development where the regulation enabled 17 more affordable, family-sized units, consisting of 2-3 bedrooms, along with a community serving use. The project, which was eligible for federal low-income housing tax credits, was initially conceived with 72 units in a 3-story zone district, but with the allowable height incentive, the developer is constructing a 4-story building with 89 units, incorporating an early childhood center on the ground floor to serve up to 100 kids. This development is adjacent to the Women’s Bean Project, a non-profit that provides job training and employment to women facing significant barriers to work. Reductions in fees and parking requirements helped reduce a financing gap to make the project feasible.

Within the next year, HOST expects to bring approximately 450 income-restricted units online through the mandatory affordable housing requirement, and HOST staff have already begun negotiations on three large-scale sites (designated “High Impact Developments”), which will exceed standard mandatory affordable housing requirements tailored to community feedback. Cumulatively, these High Impact Developments will contribute hundreds of affordable units to the neighborhoods where Denver is experiencing transformative development.

**Affordable Housing Review Team (AHRT):** After passage of the Expanding Housing Affordability package, the Development Services division of CPD created AHRT to streamline the approval of affordable housing developments meeting certain requirements for 100% income-restricted units, such as those funded by the Colorado Housing and Finance Authority (CHFA), the Denver Housing Authority, a community land trust, or a non-profit developer.
Denver’s mayor and City Council funded 19 new positions in the general fund budget to create AHRT across five city departments: CPD, HOST, Parks and Recreation, Transportation and Infrastructure, and Fire. Since its kickoff in 2022, the team has experienced high demand to accept 100% income-restricted projects. CHFA recently noted the highest applicant pool in the August round of federal 9% low-income housing tax credits with 14 applications from Denver developers. The team has coordinated closely on more than 60 unique affordable developments ranging from single-family/accessory dwelling units and mixed-use, multi-family dwelling projects to large scale preservation projects, including adaptive reuse of former university dormitories and hotel conversions for non-congregate shelters. Our team’s capacity is limited, but dedicated staffing allows us to deliver predictable review timelines (on-time or early) and allows staff to collaborate with applicants early in the design process to assess required city approvals and achieve desired entitlement milestones. To date, the team has successfully completed all projects within the requested schedule provided by development teams. Early analysis shows over 75% of reviews were completed on time with an average of two review cycles required for projects subject to site development plan review. These compare favorably to the standard review process in which few reviews are completed on time and 5 to 7 review cycles are common. Additionally, the average city review time is approximately 30% of the overall entitlement period, with the remainder under applicant control. In one year, the team entitled over 1,200 units and currently has approximately 3,500 units in review for anticipated delivery between 2024 and 2026, dependent on funding awards from the Colorado Housing and Finance Authority, the Colorado Department of Local Affairs (DOLA), and others.

Our team is also engaged with DOLA in defining the “90-day fast track approval process” as required in Proposition 123, which was adopted in November 2022 by Colorado voters. Proposition 123 created the Colorado Affordable Housing Financing Fund and earmarks about 2% of income tax revenues, or nearly $300 million in the next fiscal year, for affordable housing. Legislation requires local governments to commit to increasing their supply of affordable housing by 3% each year for three years, or 9% total. Denver submitted a commitment in July 2023 and was subsequently approved with an annual goal of 1,544 units, or 4,631 total units over three years.

Accessory Dwelling Units (ADUs): In June 2023, City Council approved a zoning code update to remove barriers impeding the development of ADUs. The new regulations allow for nuance based on neighborhood context by adding flexibility to create two-story ADUs in Denver’s more urban areas, making construction more cost effective than the prior 1.5-story height limit; establishing neighborhood context-sensitive setbacks; increasing the maximum floor area of ADUs on smaller lots to accommodate a wider range of household sizes; and allowing the conversion of garages into ADUs. As the updated regulations are newly adopted, the city has yet to see a measurable impact but is monitoring permit trends.

Temporary Managed Communities: In June 2023, City Council approved an update to the zoning code to create a new use that allows secured campsites comprised of tents, pallet shelters, tiny homes, or motor vehicles providing temporary sleeping accommodations for people experiencing homelessness. These sanctioned campsites, managed by non-profit organizations, offer 24/7 staffing and supervision and ensure that people have access to sanitation and a safe, personal place to sleep off the streets. Such campsites were temporarily allowed beginning in 2020 in response to the COVID-19 pandemic, despite not being an existing, defined use in the zoning code. Over the course of three years, they were launched at nine sites throughout Denver,
including in areas of opportunity, and provided critical shelter to over 500 people, over 180 of whom moved into more permanent housing. More sites are being established this year.

**Modernizing Zoning Variances:** In June 2023, City Council approved an update to the zoning code to allow more flexibility for affordable housing. The Board of Adjustment may approve a variance when a project design would result in the creation of more income-restricted dwelling units than otherwise would be created without the requested variance. This will provide affordable housing developers an additional opportunity to apply for a zoning variance in unique circumstances, thus saving time and resources.

**Preservation of Affordable Units in High Opportunity Areas:** From January 2022 through June 2023, HOST has supported the creation or preservation of 1,602 affordable housing units, placing the city at 23% of the 5-year goal of 7,000 affordable units. Of these, 349 units were preserved, but this number does not include a recent acquisition or funding for hotels for initial use as non-congregate shelter, with future conversion to permanent supportive housing. The city expects to add over 500 units of permanent supportive housing over the next 5 to 7 years through the redevelopment or conversion of hotel sites. Funding is provided to affordable housing developers through very low interest, or no interest, subordinate loans or grants and requires a minimum affordability period of 60 years.

HOST prioritizes the preservation of units in areas vulnerable to displacement and areas of opportunity. For example, HOST has preserved affordable homeownership opportunities by:

- Facilitating the acquisition of affordable homeownership units in areas of opportunity and extending the affordability term from 20 to 99 years.
- Funding Community Land Trusts to acquire market rate, for sale units for conversion to affordable homeownership with a 99-year affordability period.
- Funding the acquisition of a mobile home park with the goal of resident cooperative ownership. This effort will preserve 72 affordable homeownership units on land that would have been lost to market rate development.
- Utilizing the city’s Right of First Refusal provided under the Preservation Ordinance to convert 2 rental properties with expiring affordability to affordable homeownership.

Housing preservation stabilizes neighborhoods, and HOST preserves rental housing, including existing affordable and naturally occurring affordable units, through three primary strategies:

- Funding the acquisition and/or rehabilitation of affordable rental properties and extending the affordability period to a minimum of 60 years.
- Supporting the acquisition and/or rehabilitation of naturally occurring affordable rental properties, up to 80% of the AMI, with very low or no interest financing. Affordability is secured with a 60-year rental and occupancy covenant.
- Utilizing the Preservation Ordinance to ensure that affordable properties that are under contract to sell will continue as affordable housing and utilizing the Right of First Refusal if needed to preserve affordability.

**Initiatives to Invest in Underserved Communities:** HOST supports underserved communities citywide through funding for housing development, including land acquisition, down payment assistance and housing counseling, investments in stabilization programs, and policy initiatives. HOST funds the development of income restricted rental and supportive housing through very low or no interest financing and prioritizes developments that provide a greater number of units
for households at or below 30% of the AMI. Through this effort, 205 units at or below 30% of the AMI and 302 supportive housing units have been created since 2022.

HOST is partnering with CPD to deploy Impact Investment funds in communities that are vulnerable to displacement. HOST will utilize this funding to support the acquisition of market rate homeownership units in high priority, vulnerable neighborhoods and convert those units to affordable homeownership with 99 years of affordability. HOST will also fund two cooperative homeownership demonstration projects in those communities.

The city regularly evaluates opportunities for land acquisition and has acquired sites in several underserved communities for affordable rental and supportive housing development. Developers were selected through Requests for Proposals that were informed by extensive community engagement to ensure alignment with resident priorities. These efforts have resulted in:

- 79 units of supportive housing for households at or below 30% of the AMI (construction complete, leasing up).
- 82 units of family housing at 30% to 70% of the AMI, with an on-site childcare center (construction complete, leasing up).
- 170 units of family housing (including 3 and 4 bedrooms) with on an onsite public library branch and community serving space (in progress, completion in 2026).

HOST has also provided extensive investment in shelter and supportive housing development. Over 500 shelter beds will be added by the end of 2024 through hotel acquisitions and investments, which will be converted to permanent supportive housing by the end of 2028.

HOST has adopted a Prioritization Policy that would provide priority access to newly developed housing to households at risk of or who have been displaced from their Denver neighborhood. This policy will require that 30% of units in newly constructed housing developments are neighborhood residents at-risk of or who have experienced displacement. 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. The Prioritization Policy is in the implementation stage and will go into effect for any development opening on or after January 1, 2024.

In 2022, HOST launched the MetroDPA (Down Payment Assistance) Social Equity program, which provides direct financial support for residents or direct descendants of residents who lived in Denver’s historically redlined areas between 1938 and 2000. Qualified homeowners receive up to $25,000 as a grant towards the purchase of a home anywhere in four contiguous metropolitan statistical areas around the Denver / Front Range area. As of September 2023, over $4 million dollars of assistance has been funded and another $10 million in commitments have been issued to individuals searching for a home.

HOST supports residents at risk of displacement though funding for eviction legal support to low-income households, foreclosure counseling, and emergency rent and utility assistance. From 2022 through September 2023, over 17,600 households were served by housing stability programs, including 3,200 households receiving eviction legal defense and other support.

**Affordable Housing Fund:** In September 2016, City Council passed and the Mayor signed an ordinance to create two Affordable Housing Funds (known collectively as the “Affordable Housing Fund”) to provide revenue for housing development, preservation, and programs. The Affordable Housing Fund was originally supported through property taxes (0.5 mills) previously
approved by voters and a linkage fee on new development. More revenue for the Affordable Housing Fund was added starting in 2018 through an increased 2% dedicated sales tax on recreational marijuana. In June 2022, increased development linkage fees also began contributing to the fund as described in the Expanding Housing Affordability section above.

These resources generate more than $30 million annually to serve residents across the housing continuum who face a range of housing challenges. People experiencing homelessness, renters, and those working to achieve or maintain homeownership are all beneficiaries of the funds. Permitted uses of the Affordable Housing Fund includes production and preservation of rental housing, including renter assistance programs; production and preservation of for-sale housing; homebuyer assistance programs; development and preservation of supportive housing for people experiencing homelessness and supportive services (up to 10% of property tax and other revenue funds per year); programs supporting low-income at-risk individuals in danger of losing their homes, mitigating the risk of gentrification and involuntary displacement, and other housing programs; and administrative costs (up to 8% per year).

II. DO YOU HAVE ACUTE DEMAND FOR AFFORDABLE HOUSING? WHAT ARE YOUR REMAINING AFFORDABLE HOUSING NEEDS AND HOW DO YOU KNOW?

According to the 2020 U.S. Census, Denver grew by 19.2% in the last decade, adding 115,364 residents, bringing the population to 715,522, yet we are woefully short of housing supply. HUD has already deemed Denver a priority geography based on the number of affordable housing units not keeping pace with population growth from 2009 to 2019. Other factors affecting the acute demand for affordable housing include displacement pressures, homelessness, the ratio of median home price to AMI, housing stock condition and age, and missing middle housing.

**Displacement Pressures:** Homeowners and renters face displacement pressures. From 2021 to 2023, rising property assessment values in Denver have experienced a median increase of 33%, which has led to large property tax increases, severely impacting homeowners with a fixed income and making it difficult to sustain home ownership. According to the 2022 American Community Survey, more than 47% of renters’ gross rent was at least 30% of their household income, with 21% of renters’ gross rent totaling 50% or more of their household income. More than 80% of Denver residents pay at least $1,000 in housing costs per month and almost 15% pay $3,000 or more monthly. These financial burdens have contributed to a rise in eviction filings across Denver in recent years. According to HOST data, 2023 is on track to have a record high 12,000 eviction filings across the city. While the 2024 amount is estimated to stay stagnant with 2023, the surge in eviction filings since 2020 is likely due to the ending of pandemic-related eviction moratoria and available federal resources.

**Homelessness:** The number of people experiencing homelessness in Denver, according to the 2023 Point-in-Time report conducted by the Metro Denver Homeless Initiative, increased 21% from the previous year to 5,818 people. The top two self-reported reasons why an individual was experiencing homelessness were the inability to pay rent or mortgage, eviction, or being asked to leave their housing situation. Mayor Johnston declared a state of emergency regarding this issue in July 2023, and Denver City Council extended the emergency which continues in effect as of the date of this application. Funding for the coordinated citywide response is expected to total $48.6 million in 2023. Proposed in the Mayor’s 2024 budget, Denver will sustain the transitional
housing efforts launched in 2023, enforce permanent closure of unsanctioned encampments, and allocate an additional $39.2 million toward bringing another 1,000 people out of unsheltered homelessness in 2024. This commitment will provide funding to bring on more hotels, micro-communities, and rapid rehousing.

**Ratio of Median Home Price to Area Median Income:** The ratio of median home price to AMI in Denver is 8.95 for single family homes and 5.82 for condominiums and townhomes compared to a healthy ratio of 2.6. In May of 2023, median home prices in Denver were $700,000 for single family homes and $455,000 for condominiums and townhomes. The 2021 median household income was $78,177, according to the U.S. Census Bureau.

**Housing Stock Condition and Age:** According to Denver Assessor records, approximately 57% of housing units in Denver were constructed prior to 1972 and 26% have been constructed since 1993. Despite the age of the housing stock, the 2019 American Housing Survey from the U.S. Census Bureau found that most of the units were adequate with only 2.3% of those surveyed falling into the moderately inadequate or severely inadequate categories. These older units can be a form of naturally occurring affordable housing, but they are not legally required to stay at a certain price. These units become less affordable when housing prices increase because there is more demand. Additionally, they can also be redeveloped into more expensive units that are no longer affordable, contributing to displacement pressure.

**Missing Middle Housing:** There is a dearth of missing middle housing in low-density residential areas that are low in housing diversity. The “missing middle” refers to housing types that fall between single-unit houses and higher-density homes, and include duplexes, fourplexes, row homes, townhomes, and cottage housing. Missing middle is not just a type of housing product, as it captures units that are attainable to middle-income households who still struggle to afford housing in Denver. The Denver Metro Association of Realtors’ August 2023 report indicated a decrease in active listings and an increase in median sales price, mainly in missing middle housing. Townhouse and condo listings in metro Denver are down 16.8% from 2022, median sale price is up 4.9%, and the affordability index, based on interest rates, median sales price, and median income, is down 18.3%. The 2022 American Community Survey showed 90.6% of all housing in Denver is considered either single-unit homes or apartments with 10 or more units, leaving less than 10% of Denver’s stock as missing middle housing.

**III. WHAT KEY BARRIERS STILL EXIST AND NEED TO BE ADDRESSED TO PRODUCE AND PRESERVE MORE AFFORDABLE ACCESSIBLE HOUSING?**

Despite recent efforts, several key barriers still exist and need to be addressed to produce and preserve more affordable and accessible housing, including zoning and land use controls; building, fire, and energy codes; permitting procedures; and infrastructure constraints, as described below.

**Zoning and Land Use Controls:** While Denver has recently completed several zoning and land use updates to increase the production of affordable housing, zoning and land use regulations are still one of the biggest barriers to additional housing supply. The allowance for missing middle housing is severely limited throughout much of the city, where single-unit zone districts apply to approximately 70% of the land area. These single-unit districts only allow for the urban or
suburban house building forms, prohibiting the development of duplexes, fourplexes, etc. Even ADUs are not allowed in all single-unit districts, although Blueprint Denver advocates ADUs be allowed citywide in a future code change. In the meantime, many property owners need to apply for a rezoning to a single-unit district that allows ADUs, pay a $1,000 review fee, and wait 4-6 months for approval.

**Prohibitive Building, Fire, and Energy Codes:** Denver’s building and fire codes are not generally prohibitive to producing or preserving affordable housing. However, the affordable housing development community and civic leaders have increasingly noted challenges with certain sections of the codes, including the limitations of the International Residential Code that exclude three- and four-unit products; the fire code’s prohibition on multunit buildings with single-stair access; and certain requirements of the Denver Energy Code, such as provisions for electric vehicles and incentives for electrification. Building and fire codes can also restrict adaptive reuse, which the city is striving to overcome, particularly as it seeks to revitalize downtown. Recently, the city launched an Adaptive Reuse Pilot Program in Upper Downtown. The pilot program will help support the conversion of commercial office space to multi-use residential space by providing a dedicated project coordinator with specific regulatory guidance for the most common roadblocks experienced by these projects.

**Permitting Procedures and Approval Timing and Predictability:** Within CPD, multiple Development Services workgroups are involved in permitting. These workgroups include the Commercial Zoning Team, Building Plan Review Team, Residential Plan Review Team, Zoning Administration Team, and the Site Design and Neighborhood Development Team. These Development Services teams review building plans, site plans, urban design requirements, and conduct inspections. These responsibilities comprise approximately 80% of city functions related to the development of private land.

CPD experienced impactful staffing shortages in the years after the pandemic, which we have strived to overcome. During the first six months of 2022, the department hired more people than all of 2021. In the entirety of 2022, we hired over 100 people, roughly equating to 33% of the agency. While grappling with staff shortages and training new staff, Denver continued to experience record permit application volume, issuing over 58,000 building and trade permits in 2022 (slightly down from the 60,000 permits issued in 2020), representing $5 billion in construction materials and labor on job sites throughout the city.

The Site Design and Neighborhood Development Team processes site development plans and includes specialized members that focus on adaptive reuse, large development review, and administration of AHRT. Site development plan review entails a coordinated review of all commercial and multifamily projects to manage the external effects of new development and ensure compliance with a variety of regulations. Most projects will receive up to 26 core reviews by different internal and external agencies including Denver Water, Xcel Energy, Denver Public Schools, the Regional Transportation District, the Colorado Department of Transportation, and many others.

For much of 2022, it took the Site Design and Neighborhood Development Team an average of 325 days to approve building permits for each of 60 site development plans. More recently, we have reduced that timeframe to 209 days for commercial and multifamily developers to complete the building plan review process and obtain construction permits. While these average durations
include the time it takes for applicants to make plan revisions as well as time for city review, they are a significant barrier to producing affordable housing.

Over the last year, we advanced a number of efforts focused on reducing plan review times. These included hiring and training new staff, contracting with a third-party plan review firm, improving how new projects are queued, and eliminating tasks that are not essential to completing reviews. These efforts are proving to be effective. Since reaching a peak in fall 2022, review times for all permit types have been steadily declining. As of August 2023, residential plan review times were much closer to our goal of 2-4 weeks, compared with 12-15 weeks in fall 2022. Yet, Denver continues to face the challenge of long review times, often complicated by intense peaks in applications prior to code changes, as recently experienced prior to building code updates codifying electrification and zoning code updates requiring affordable units. Ongoing volume combined with complicated entitlement processes have contributed to the challenges of producing and preserving affordable housing.

**Infrastructure Constraints:** Based on a survey of affordable housing developers that had projects accepted into AHRT, infrastructure costs repeatedly pose serious barriers to producing and preserving affordable housing. Whether the typical sidewalk, curb, gutter, and tree lawn improvements, or more costly improvements such as traffic signal upgrades, alley reconstruction, or unforeseen circumstances during construction such as extending water lines, rerouting wastewater lines, or upgrading electrical capacity, developers in Denver routinely have to budget more of their capital toward infrastructure and utilities, which reduces the number of units built. Recent projects completed by Habitat for Humanity producing 15-30 units required an average of $50,000 per unit for infrastructure costs.

Additionally, many of these projects are built in traditionally underserved or underinvested neighborhoods where overall infrastructure quality is poor, leading to greater upgrades needed to support new development. Such financial expenditures do not include the cost to provide electric distribution to development sites. Many developers are expressing concern over recently adopted building and electric codes given the lack of capacity from utility providers. Recent examples of projects impacted by infrastructure constraints include:

- The aforementioned Warren Village project that successfully added units with the EHA height incentive and is located along a transit priority street per Blueprint Denver, where Xcel Energy says developers will have to spend up to $1 million to reinforce one mile of electric lines.
- A project in Denver’s historic Welton Street neighborhood, where Xcel Energy told developers halfway through their entitlement process they would have to pay $900,000 to reinforce the electric grid, adding 6 months of process to their timeline.
- A project in the historically disadvantage neighborhood of Globeville, where developers would have to pay up to $2.5 million for infrastructure upgrades that aren’t planned until 2026.
- A project in the Villa Park neighborhood with a significant risk of displacement, where developers received a grant from Denver’s Office of Climate Action, Sustainability and Resiliency in order for the development to be fully serviced by electric energy. Unfortunately, Xcel Energy says a fully electric project isn't feasible so gas connections must be provided, which puts the project at risk of losing the grant.
EXHIBIT D: SOUNDNESS OF APPROACH
CITY AND COUNTY OF DENVER
I. WHAT IS YOUR VISION?

PROPOSED ACTIVITIES AND WHY THEY ARE APPROPRIATE

CPD, along with internal city agencies including the departments of HOST, Transportation and Infrastructure, and Finance, is proposing a combination of activities that will reduce multiple barriers to the creation and preservation of affordable housing in Denver, particularly income restricted units benefiting low-and moderate-income persons. In the last few years, Denver has undertaken many projects to boost the creation and preservation of affordable housing stock. However, as demonstrated in the Need section, we must further our efforts to have a more meaningful, significant, and immediate impact on the competitive market in our highly desirable region. To this end, we propose the following eight activities.

Activity 1: Regulatory and Process Reform: In Activity 1, we envision a robust analysis of all development regulations and processes that impact entitlements, including zoning, building, fire, transportation, and wastewater, as well as parks and recreation requirements for development on private property. In the first year we will hire a consultant to work with CPD staff, as well as the departments of Fire, Transportation and Infrastructure, and Parks and Recreation to conduct a regulatory review to determine how well desired outcomes are being achieved, working through zoning and building codes to determine what regulations can be removed or amended to better facilitate desired outcomes and reduce – where it makes sense – regulatory burden and provide needed clarity. Full analysis of development regulations and processes is projected within two years of a grant award, culminating in recommended strategies that we will implement to update our codes and processes.

This proposed activity meets a CDBG national objective by benefiting low- and moderate-income persons and it constitutes an eligible activity that will facilitate affordable housing production. Specifically, this planning and policy activity supports affordable housing by identifying opportunities to reduce or eliminate requirements related to parking, building height, lot coverage, setbacks, minimum unit size, minimum lot size, floor area ratio, and other common land use controls. We will also consider the potential to reform building, fire, and energy codes, including through adopting or modifying model codes or consensus standards, to facilitate more affordable housing or otherwise reduce construction costs.

Activity 2: Missing Middle Housing: In Activity 2, we will lead an inclusive community process resulting in zoning code and/or map changes to allow 2- to 4-unit structures, tandem houses, and/or smaller minimum lot sizes in existing low-density locations where slightly higher density may be appropriate. This might include lots on corners, near transit, and/or adjacent to centers or corridors, while aligning with areas of opportunity. This allowance will advance goals for affordability, which could include a requirement to provide affordability in exchange for some increased density. We will also identify strategies that encourage the reuse, rather than demolition, of existing structures. This could be accomplished by allowing additional unit(s) to be added to an existing structure if the structure is preserved. Financing tools to incentivize existing owners to preserve unsubsidized small-scale properties (i.e. NOAH, “naturally occurring affordable housing) will be explored. The scope of this project could include other incentives that provide value for a developer in exchange for a higher percentage of affordable units built on-site, expanding on Denver’s existing mandatory affordable housing and incentives program. These could include parking reductions and other tools outside of zoning that will be advanced.
by other activities proposed in this grant program, such as permit and plan review fee reductions and staff support to navigate the permitting process.

This proposed activity meets a CDBG national objective by benefiting low- and moderate-income persons and it constitutes an eligible activity that will facilitate affordable housing production. Specifically, this planning and policy activity supports affordable housing by expanding allowances for duplexes, triplexes, or fourplexes by-right in areas zoned primarily for single-family homes.

**Activity 3: Infrastructure Analysis:** In Activity 3, in conjunction with regulatory reforms, we intend to complete an infrastructure analysis for major utilities, such as water, sewer, storm, and electric, to identify gaps in capacity and necessary upgrades within planned growth areas or identified Neighborhood Equity and Stabilization (NEST) neighborhoods. Consistent and reliable systemwide asset condition data is critical to guiding investments, maximizing the lifespan of existing infrastructure, and making data-driven asset maintenance decisions. DOTI has made significant strides in the past decade to improve asset management systems for the city’s expanding catalog of assets, but a comprehensive inventory of all assets remains incomplete, especially those of partner utility agencies.

With the aid of a consultant team, this project will develop a strategic analysis of “Transit Capital Investment Corridors,” as defined in Blueprint Denver, to support infrastructure investments in regional and/or community centers. Goals include:

- Strengthening and institutionalizing connections between land use and utility (Mile High Flood District, Denver Water, Metro Wastewater Reclamation District, Denver Water, Xcel Energy) entities to reconcile policies and management strategies and collaborate on mutually beneficial policies, starting early in a project’s life cycle and including all relevant agencies and departments
- Developing a robust asset data management program and integrating existing assets’ data into the system while collecting data for assets where there is not currently data available. The assets will include water, sewer, sanitary, and electric conditions/capacity and identify areas of strategic investment in support of affordable housing
- Creating a framework with comprehensive criteria to identify and prioritize multi-benefit projects based on measures of social, environmental, and economic benefits and costs.
- Developing modeling in sufficient detail to support the conceptual design and sizing of infrastructure.
- Establishing a capital project planning function within DOTI planning to prioritize, study, and conceptualize major capital projects to further align design outcomes with community needs and tie future transit investments to affordable housing development.
- Integrating strategies to understand and mitigate the involuntary displacement of residents and local businesses into the planning and implementation of major transit investments.
- Identifying and collaboratively pursuing private, local, state and federal funding opportunities to implement multi-benefit projects, such as Federal Transit Administration (FTA) Small Starts grants.

This proposed activity meets a CDBG national objective by benefiting low- and moderate-income persons and it constitutes an eligible activity that will facilitate affordable housing production. Specifically, this infrastructure activity supports affordable housing by facilitating the installation of new utilities and/or infrastructure improvements necessary for the
development or preservation of affordable housing and the upgrade of existing utilities or improvements to increase an area’s overall capacity.

**Activity 4: Affordable Housing Review Team Capacity:** In Activity 4, we propose hiring a consultant to study and develop a permanent financing model for 19 positions on the AHRT team, which currently are term-limited and end in December 2026, and identify opportunities to permanently expand the model to allow more affordable housing projects to benefit from this high-touch, highly coordinated, highly successful development review model.

This proposed activity meets a CDBG national objective by benefiting low- and moderate-income persons and it constitutes an eligible activity that will facilitate affordable housing production. Specifically, this development activity supports affordable housing by providing large-scale technical assistance to affordable or non-profit developers, community land trusts, or other entities which leads to the development of affordable housing.

**Activity 5: Affordable Housing Review Team Staff:** In Activity 5, we are requesting funding for four additional staff, beginning in mid-2025 and lasting until the end of the award cycle, focused on building plan review, zoning review, and project coordination roles. Additional staff in these strategic positions will allow more eligible projects to be accepted into an enhanced, coordinated review process. We would also have additional capacity to accept mixed-rate projects, or those complying with enhanced mandatory affordable housing requirements, which have traditionally not been accepted since the current staffing does not provide enough capacity to accept projects beyond those that are 100% income-restricted.

This proposed activity meets a CDBG national objective by benefiting low- and moderate-income persons and it constitutes an eligible activity that will facilitate affordable housing production. Specifically, this development activity supports affordable housing by providing large-scale technical assistance to affordable or non-profit developers, community land trusts, or other entities which leads to the development of affordable housing.

**Activity 6: Development Review Technical Assistance Tools:** In Activity 6, we propose hiring a consultant and developing customer-facing technical assistance tools, such as permitting guides and process maps, as well as identifying strategic technology improvements to streamline the submittal and review process. We would initially focus on tools for affordable housing developers navigating the newly implemented EHA program, and based on lessons learned, we would further develop tools that would help market-rate developers, builders, contractors, and homeowners.

This proposed activity meets a CDBG national objective by benefiting low- and moderate-income persons and it constitutes an eligible activity that will facilitate affordable housing production. Specifically, this development activity supports affordable housing by providing large-scale technical assistance to affordable or non-profit developers, community land trusts, or other entities which leads to the development of affordable housing.

**Activity 7: Infrastructure and Environmental Remediation Contingency Loan Fund:** In Activity 7, we would create a loan fund for affordable housing projects that could be used for unexpected infrastructure costs or environmental remediation. Traditionally, the development community has assumed a substantial portion of expanding or upgrading infrastructure as a condition of permit approvals. AHRT has coordinated countless conversations between affordable housing developers and utility providers when unexpected and costly infrastructure
improvements are identified during the entitlement process. Affordable housing developments have extremely limited budgets and complicated capital stacks, and currently dedicate significant portions of their pro forma to infrastructure, thus reducing the overall number of units that can be provided. The funding gap between the city and affordable housing developers substantiates the need for a well-defined, data-driven process to allocate limited resources through an Infrastructure and Environmental Remediation Contingency Loan Fund. This project would:

- Hire a consultant to assist in defining various levels of loan terms and conditions for repayment such as: 1) under $500,000 to be repaid within 3 years of receiving a Certificate of Occupancy or Temporary Certificate of Occupancy; 2) over $500,000 to be repaid within 10 years of receiving their CO or TCO; 3) over $1 million be paid back within 10 years, but the city could consider the sums above $1 million to be forgivable.
- Define criteria and eligibility requirements for projects, potentially expanding or utilizing the criteria created for inclusion into AHRT.
- Provide immediate funds for unanticipated project requirements including environmental remediation, sewer-upgrade, right-of-way dedication and construction, stormwater facility construction, electrical service enhancement, traffic signal-upgrade, etc.

This proposed activity meets a CDBG national objective by benefiting low- and moderate-income persons and it constitutes an eligible activity that will facilitate affordable housing production. Specifically, this infrastructure activity supports affordable housing by facilitating the installation of new utilities and/or infrastructure improvements necessary for the development or preservation of affordable housing and the upgrade of existing utilities or improvements to increase an area’s overall capacity.

**Activity 8: Grant Program Administrator:** In Activity 8, we’re requesting funding for a grant program administrator for the duration of the grant cycle. The program administrator will coordinate the planning and execution of all the grant activities, ensure collaboration across projects, administer grant compliance and reporting, and supplement the efforts of project managers for activities 1 through 7 as appropriate. Administration is not required to meet a CDBG national objective and it is an eligible activity pursuant to the NOFO. Nonetheless, by facilitating Activities 1-7, this position will be essential to delivering the benefits to low- and moderate-income persons, including the facilitation of affordable housing production in accordance with HUD requirements for compliance, monitoring, and reporting.

**KEY BARRIERS ADDRESSED BY PROPOSED ACTIVITIES**

The combination of regulatory, development, and infrastructure activities proposed within this grant application address the key barriers to affordable housing production in Denver’s highly competitive housing market. Any one of these activities would improve outcomes and increase the number of units available, but we know from every professional planning, transportation, and housing publication, as well as direct experience, that a comprehensive, multi-pronged approach is required. Regulatory reform without process improvement means projects are still stuck in the web of entitlements. Process reforms may result in more efficient reviews and improved permit timelines, but without additional land use options and infrastructure funding, developers cannot incorporate more units into their designs.

**Activity 1: Regulatory and Process Reform:** By simplifying and streamlining regulations and processes affecting multiple disciplines impacting development approval, this activity would reduce barriers related to zoning and land use controls; building, fire, and energy codes; as well
as infrastructure requirements and constraints to make it easier for affordable housing developers to conceptualize projects that comply with regulations. It would also increase coordination among the various disciplines; reduce uncertainties in the development approval process that could impact bottom lines; and minimize the need for multiple site development plan submittals and reviews, ultimately decreasing the time from project conception to construction.

**Activity 2: Missing Middle Housing:** This activity directly addresses the need for more missing middle housing throughout the city, which would encourage more affordable housing production and increase the overall supply of market-rate housing, thus driving down housing costs and improving the ratio of median home price to AMI. It would also overcome the barrier of overly restrictive zoning regulations that currently prohibit more density in single-unit neighborhoods. To ensure this activity doesn’t contribute to displacement, we would continue to coordinate with HOST and the city’s Neighborhood Equity Stabilization Team (NEST) to utilize programs that preserve affordable housing opportunities within disadvantaged neighborhoods and areas of opportunity. The mandatory affordable housing requirements would also require affordable units be provided in missing middle developments greater than 10 units, to ensure new affordable housing opportunities.

**Activity 3: Infrastructure Analysis:** Investing in data and plans to better manage assets will enable Denver to strategically improve the maintenance and upgrade of infrastructure that will enhance the quality of the system while meeting resident expectations and city goals including density, sustainability, and affordable housing. This activity addresses the barriers associated with infrastructure constraints.

**Activity 4: Affordable Housing Review Team Capacity:** This activity would help ensure the long-term retention of at least some of the 19 multi-disciplinary positions currently dedicated to the AHRT program, positions that are currently term limited. Doing so would provide predictability in Denver’s continued ability to fast-track affordable housing projects and would improve our ability to compete in the region, while directly addressing the barriers associated with current permitting procedures and approval timing and predictability.

**Activity 5: Affordable Housing Review Team Staff:** Adding staff to the AHRT team would expand on current successes and allow more projects to be accepted and expedited through the program. It also would ensure compliance with the fast-track requirements of the Prop 123 commitment to effectively entitle the required 4,631 units in three years. With more dedicated staff to work through projects as efficiently as possible, accepted projects can expect to meet or exceed standard target review times for comparable new commercial and multifamily developments, which directly addresses the barriers associated with current permitting procedures and approval timing and predictability, similar to the previous activity.

**Activity 6: Development Review Technical Assistance Tools:** Homeowners and developers routinely have questions when trying to navigate Denver’s regulations and approval processes. Development of technical assistance tools will provide clarity and transparency regarding zoning, building and other requirements, improve customer service, and reduce staff time needed to assist customers. Therefore, this activity will address barriers related to zoning and land use controls; prohibitive building, fire, and energy codes; as well as permitting procedures and approval timing and predictability.

**Activity 7: Infrastructure and Environmental Remediation Contingency Loan Fund:** Based on increasing demand for gap financing due to rising or unexpected infrastructure costs,
evidenced by the list of recent projects listed in the Need section, we expect our affordable housing developers to benefit immediately from supplemental funding and strategic utility investments and anticipate an increase in the average number of units per project. This activity will directly address barriers to infrastructure constraints impeding the creation and preservation of affordable housing associated with insufficient infrastructure, rising or unexpected costs, and the costs of environmental remediation.

**Activity 8: Grant Program Administrator:** By coordinating administration of all the above activities, the hiring of a Grant Program Administrator would also address all of the barriers mentioned in the Need section.

**SIMILAR EFFORTS AND LESSONS LEARNED**

The city has created long-term roadmaps for investing in our community, implemented new policies that encourage affordable housing development that has resulted in AHRT, Mandatory Affordable Housing program (EHA), addressing barriers to ADUs, and updating our variance requirements to allow more flexibility for affordable housing. These similar efforts have produced multiple successful outcomes and lessons learned that have shaped this proposal.

The dedicated AHRT was created to prioritize these much-needed housing projects and reduce the overall time it takes to permit them. This inter-departmental group since its formation in Summer of 2022, has worked on over 75 projects, 15% of which inquired or applied for a rezoning request. A standard (non-affordable housing project) rezoning application has an average timeline of 6 months. Process improvements were added to expedite the rezoning timeline down to 4 months for applications within the AHRT program or with deep affordable housing commitments. Lessons learned through these advancements encouraged city staff to review ways to fast-track rezoning applications within the AHRT program by analyzing ways that zoning code requirements (rezoning criteria, fees, notification requirements, etc.) could be streamlined. This effort is on-going to update the rezoning process for affordable housing projects. The city realizes that additional staff to process applications will be required as this program is in its infancy stage.

The Expanding Housing Affordability (EHA) policy package will create more affordable housing options for our workforce as well as increase funding for Denver’s Affordable Housing Fund. When developing this policy package, city staff studied existing research and best practices from the 500+ American cities that already have inclusionary zoning policies. Drawing from interviews with other municipalities and meta-analyses by organizations including HUD, Denver staff elected to prioritize flexible compliance options, varied development incentives, and requirements that scale to account for the size and location of the development.

One of the core elements was offering zoning and financial incentives, such as flexible parking requirements, height incentives, and permit fee reductions, to help offset the cost of building affordable units and increase the overall supply of housing. Various developers who utilized this incentive mentioned limitations on the height incentives when they were adjacent to a protected district. Our protected districts are our single-unit zone districts, which limit heights of adjacent development to 75’ within 175’ of such districts. Simplifying this regulation in our Zoning Code to allow additional height in high opportunity areas will help meet Denver’s overall goals in advancing affordable housing. Austin, Texas has recently analyzed how their compatibility regulations, which are similar to Denver's protected district standards, could be revised to help meet the Austin Strategic Housing Blueprint goals. Austin is advancing recommendations for
code changes to increase affordable housing opportunities in high opportunity areas. Our proposed activities would help provide the funding to learn from other case studies and start the analysis of how we can increase housing density in appropriate locations by revising our protected district standards.

Overall, there have been multiple lessons learned as the city has implemented various programs, policies, and code adoptions that this proposal highlights, which further the goals of our adopted plans to advance affordable housing.

ALIGNMENT WITH EXISTING PLANNING INITIATIVES, SERVICES, ASSETS
Our proposal aligns with many existing city plans that anticipate a growing population; aim to guide growth to appropriate areas; recommend aligning land use with multimodal investments; and include anti-displacement strategies to ensure transit investments accrue to all, especially to long-time residents in areas that are rich in jobs, services, and other amenities. Blueprint Denver and Denver Moves: Transit, in particular, inform our proposed activities.

Blueprint Denver: This plan, adopted by Denver City Council in 2019, covers a 20-year planning horizon when nearly 900,000 persons will call Denver home, an increase of almost 200,000 from 2020. Blueprint Denver provides the foundation for citywide recommendations related to land use, transportation, design, and growth. The plan has ten goals that reflect the voice of our community and create a guiding framework for the plan vision and recommendations. The plan also includes several policies and strategies for achieving its goals that informed our proposal, with only a few listed below:

- **Land Use & Built Form, General Policy 1:** Promote and anticipate planned growth in major centers and corridors and key residential areas connected by rail service and transit priority streets. Strategies:
  A. Use zoning and land use regulations to encourage higher-density, mixed-use development in transit-rich areas including:
     o Regional centers and community centers
     o Community corridors where transit priority streets are planned
     o High and medium-high residential areas in the downtown and urban center contexts.
  B. Implement regulatory land use changes in coordination with transit investments. For example, rezonings to support transit-oriented development should be closely timed with the implementation of transit priority streets.
  C. Support the implementation of Denver Moves: Transit.
  D. Develop a citywide strategic plan to address implementation needs, including infrastructure investments, in regional and/or community centers.

- **Land Use & Built Form, Housing Policy 2:** Diversify housing options by exploring opportunities to integrate missing middle housing into low and low-medium residential areas. Strategy:
  A. Integrate missing middle housing into low and low-medium residential areas, especially those that score low in Housing Diversity. This should be implemented through holistic revisions to the zoning code at a citywide scale, with a focus on discouraging demolition and encouraging affordability.
• Land Use & Built Form, General Policy 5: Integrate mitigation of involuntary displacement of residents and/or businesses into major city projects. Strategies:
  A. For major city investments and projects – including regulatory changes and legislative rezonings – analyze the potential for the involuntary displacement of lower-income residents and local businesses.
  B. Where the potential for involuntary displacement is identified, evaluate and implement methods to mitigate displacement, such as incentives or requirements for on-site income-restricted housing and/or affordable commercial spaces.

Denver Moves: Transit: This plan, informed by significant community input and approved in 2019, creates a local transit vision and guiding framework of near-term and future investments to provide more frequent, reliable, connected, and high-quality transit service in Denver. The plan seeks to supplement the Regional Transportation District’s bus and light rail services through several big moves, a few of which include developing a network of corridors with frequent transit service; creating transit-friendly communities and community spaces by integrating transit into projects, and promoting transit-supportive land use and development.

HOST’s Five-Year Strategic Plan: This plan adopted in September 2021 calls for Denver residents to have equitable access to quality housing options that meet their affordability needs and the opportunity to increase wealth through home ownership. Specific targets for 2022 through 2027 include:

• Increasing the portion of total homes in Denver that are income restricted from 7% to 8% through the creation and preservation of 7,000 ownership and rental homes, including the creation of 900 supportive housing apartments.
• Reducing the rate of housing cost-burden among low- and moderate-income households from 59% to 51%.
• Preserving at least 950 apartments in income-restricted rental and for-sale properties.
• Increasing the homeownership rate among low- and moderate-income households from 36% to 41% and the homeownership rate among Black, Indigenous, and People of Color (BIPOC) households across income levels from 41% to 45%.

All the activities proposed here will advance these specific goals for equitable housing access.

II. WHAT IS YOUR GEOGRAPHIC SCOPE?

ANTICIPATED EFFECTS ON TARGETED LOCATIONS

Our proposal stems from our need to attract more affordable housing to Denver, our desire to implement the recommendations of existing plans, and HUD’s intent for grant funding to create housing units in high-opportunity areas and expand opportunity in underserved communities. While our proposed activities would apply citywide, many of the outcomes are intended to support Blueprint Denver’s growth strategy. This strategy recommends directing growth to key centers and corridors that will benefit from planned transit investments identified in Denver Moves: Transit, which designates transit priority streets as those where transit will be prioritized over other modes when making decisions about how to design or operate the right-of-way. Such streets include high- and medium-capacity transit corridors that are served by higher-capacity modes, such as bus rapid transit, and include improvements such as dedicated transit lanes and enhanced stops and stations. Speed and reliability corridors include improvements such as transit
signal priority to help transit move through the corridor faster and more reliably. Focusing growth within centers and corridors near these transit investments will help improve access to housing, jobs, public services, schools, healthcare, parks, and other amenities with a goal of building complete neighborhoods throughout Denver. By targeting these areas, our proposal will increase affordable housing in high-opportunity areas and increase accessibility to affordable housing in low-opportunity areas. This approach is anticipated to help achieve the CDBG national objective of benefiting low- and moderate-income persons while implementing the following Blueprint Denver recommendations:

- Increase the development of affordable housing and mixed-income housing, particularly in areas near transit, services and amenities.
- Provide increased transit access for transit-dependent residents by increasing the amount of affordable housing near rail stations and along transit priority streets. This is especially important for areas that score low in Access to Opportunity.

PRESERVATION AND CREATION OF HOUSING IN HIGH-OPPORTUNITY AREAS AND EXPANSION IN UNDERSERVED COMMUNITIES

Denver’s proposal includes a process to expand upon the zoning, regulatory, and financial development incentives that were initially created as part of the 2022 EHA policy package. Not
only could this expansion support difficult-to-pencil projects, which often include smaller preservation projects or projects targeting lower AMIs, but it may provide city staff with further opportunities to negotiate deeper affordability commitments within market-rate projects. The proposal also includes the creation of entirely new incentives, which would encourage the construction and preservation of small-scale (2-19 unit) properties, providing further opportunities to promote affordability in parts of the city that are not well-suited for large multifamily residential development. A final set of incentives under consideration would be geographically targeted, either supporting affordable housing development in high-opportunity, transit-rich areas, or in those often-underserved areas where residents are deemed to be vulnerable to displacement.

Additionally, long permitting timelines currently constitute a significant cost to Denver’s development community and may even stifle certain projects. Audit consultants and capacity building for AHRT would reduce the duration of the permitting process and would provide developers with a higher-touch and more responsive customer service experience. These improvements are critical, since a major portion of the city’s affordable housing goals, particularly in high-opportunity areas, are to be addressed by market-rate developers who are required to include affordable units in their projects. By improving the development review process and encouraging housing production writ-large, the city will promote the integration of low- and moderate-income households in high-cost neighborhoods. Finally, in a similar way, the proposed Infrastructure and Environmental Remediation Contingency Loan Fund will smooth the path for large-scale development and ensure that fewer projects are derailed by unexpected costs in the middle of their entitlement or construction processes.

III. WHO ARE YOUR KEY STAKEHOLDERS? HOW ARE YOU ENGAGING THEM?

KEY STAKEHOLDERS AND OUTREACH IN DEVELOPING PROPOSAL AND STRATEGY FOR CONTINUED OUTREACH

Our key stakeholders in furthering the preservation and production of affordable housing include Denver’s most vulnerable populations: individuals experiencing homelessness; residents of public or other affordable housing units; individuals at risk of displacement; and persons from all protected class groups under the Fair Housing Act. In addition, our key stakeholders include all those who are struggling to attain and keep homes amid steeply rising rents, mortgage rates, and property taxes, particularly those earning less than 60% of the AMI. While we strive to engage these individuals in all our projects, we also acknowledge the hurdles they face in accessing online information and attending public meetings, such that their individual voices often are not heard. Therefore, we also engage stakeholders who can speak on behalf of vulnerable populations, including representatives of advocacy organizations as well as non-profit entities that provide funding or technical assistance for housing, transportation, and social services. Other key stakeholders include members of City Council and Planning Board, partner agencies, private and non-profit housing developers, community land trusts, business and civic leaders, and registered neighborhood organizations.

Input from all of these stakeholders is embodied in our proposal and is embedded in numerous plans, projects, and processes developed over the past few years. In 2019, City Council adopted Blueprint Denver, the city’s long-range land use and transportation plan. Throughout the plan’s
public engagement, thousands of Denverites shared their unique perspectives on what makes Denver great and how it can evolve to be even better. Participants attended meetings and workshops; took online map-based surveys; talked with the street team at festivals, community events and transit stations; joined a Community Think Tank; and more. Affordable housing was one of the most common topics raised, as reflected in many of the plan’s recommendations.

During the ADUs in Denver project, approved in June 2023, community outreach included an Advisory Committee, comprised of a diverse group of renters and owners, ADU designers and builders, and representatives of partner agencies and advocacy organizations, including the West Denver Renaissance Collaborative (WDRC) and Montbello Walks. The WDRC is an initiative within the Denver Housing Authority that provides financial and technical assistance for building ADUs to low-income and moderate-income homeowners in nine neighborhoods in west Denver predominately inhabited by people of color. Montbello Walks advocates for better multi-modal transportation infrastructure in northeast Denver to improve health outcomes and reduce reliance on cars. Outreach also included community open houses and on-line surveys for the general public, focus group meetings, and presentations to registered neighborhood organizations. One of the key requests voiced by the public was the need for more streamlined processes and technical assistance, which are among the proposed activities we would pursue if awarded the grant.

Throughout development of the Expanding Housing Affordability policy, the city conducted a multi-phase public engagement process from August 2020 to March 2022. The public engagement phases included conversations with focus groups, open houses, virtual and in-person community office hours, meetings with an Advisory Committee, and informational presentations to the Planning Board and City Council committees. Participants were able to learn about the project, understand housing needs and best practices, provide feedback and insights, ask questions, and speak with city planners throughout the process. The Advisory Committee included 24 individuals representing City Council, Planning Board, housing and commercial developers, financial institutions, business improvement districts, community land trusts, registered neighborhood organizations, and community organizations such as the Colorado Latino Coalition and the Globeville, Elyria-Swansea Coalition Organizing for Health and Housing Justice. Input from this engagement was generally supportive of the new policy, but also recommended the city facilitate more housing affordable to lower-income residents and more housing density throughout Denver neighborhoods, which our proposed activities would address.

Our strategy for continued outreach during the grant’s period of performance is described at the end of this section.

COLLABORATION WITH STAKEHOLDERS IN DEVELOPING THIS APPLICATION

Specific actions taken to solicit input from and collaborate with stakeholders in developing this application included announcing our pursuit of this grant on the city’s website at the end of September. Our application was posted on the website from October 11 to October 25 and interested parties were encouraged to submit comments via an online public comment form. City staff held a public hearing from 4:30pm to 6:30pm on October 19 to solicit in-person comments. This hearing was accessible to individuals with disabilities as well as those with limited English proficiency. We also emailed newsletters to over 7,000 entities, including city agencies, state partners, local HUD employees, registered neighborhood organizations, nonprofit and advocacy organizations, business improvement districts, building contractors, engineers, architects, trade
associations, homebuilders, energy/green associations, unions, and other construction and development groups.

AHRT members regularly conduct outreach with their applicants including on-going feedback sessions at the completion of a project. Staff collects their input on current processes, codes, and requirements as well as suggestions for direct improvement. A “progress tracker report” quickly highlights the various applications involved and their status relative to the applicant’s desired entitlement schedule. Staff is also creating other technical assistance tools, such as process maps and guides, based on this feedback and we have proposed grant funding to further these efforts. Additionally, feedback from affordable developers has indicated great appreciation for AHRT and the creation of a streamlined point of contact for issue resolution; however, certain review teams in the city do not have dedicated AHRT staff and developers have requested the city explore adding those positions to the team. As such, we have requested four additional AHRT staff in this grant proposal. Lastly, our stakeholders have continually sought assistance with unexpected infrastructure costs, in particular water and electric utilities, and have come dangerously close to pulling out of a project due to unexpected gap financing needs that the city cannot fund. This is also addressed in our proposal for an Infrastructure and Environmental Remediation Contingency Loan Fund.

On October 10, 2023, we held a meet and greet with affordable housing developers with over 70 industry participants including developers, property owners, civil engineers, and architects. The purpose of the meeting was to introduce the dedicated staff to potential AHRT applicants, describe the benefits and successes of the program as well as the eligibility criteria and application process. It also included a panel of developers who successfully completed a project utilizing the AHRT team. They provided an overview of their project, unique challenges, and how AHRT assisted to remove or reduce those barriers and permit the project in a timely manner.

INCORPORATION OF INPUT FROM STAKEHOLDERS INTO PROPOSAL

A description of how we incorporated input from stakeholders into our proposal is provided in response to the previous two review criteria.

STRATEGIES TO ENGAGE COMMUNITY MEMBERS, INCLUDING THOSE MOST LIKELY TO BENEFIT

We are committed to encouraging public participation, building support, and engaging community members through the application of many robust and inclusive strategies. Based on best practices and lessons learned, we would develop unique community engagement plans for Activity 1: Regulatory Process and Reform and Activity 2: Missing Middle Housing, tailored to each activity’s complexity, affected stakeholders, and timeline. At a minimum, for both activities, city staff would identify internal stakeholders from multiple agencies, such as CPD, HOST, Transportation and Infrastructure, and Economic Development and Opportunity to meet regularly during activity subtasks as we identify the barriers to affordable housing development, evaluate alternatives, and identify preferred implementation strategies. We would also create advisory committees with external community partners. For Activity 1, such partners would include affordable housing developers, design professionals, affordable housing advocates, and others to provide input on challenges of the development review process and to recommended changes to both business processes and codes. For Activity 2, partners would include nonprofit and community entities and registered neighborhood organizations to help identify where and
how missing middle housing could create more affordable housing opportunities throughout the city while mitigating involuntary displacement. Both activities could entail equitable public outreach via interviews, focus groups, surveys, and community workshops, following their community engagement plans. For Activity 2, we would build political support by inviting members of the Planning Board and City Council to participate in the Advisory Committees and we would provide project updates at meetings and in newsletters.

To ensure we are reaching those most likely to benefit from Activity 2, including typically-underserved minorities and the economically disadvantaged, we would leverage grassroots organizational partners who are active in the community, have built trust in the community, and are experienced working with the community, and we would utilize existing networks and established formal and informal community leaders to communicate and advocate for the project and for those in need. We would provide multi-lingual materials and staff (as appropriate) at community events where residents and business leaders could conveniently get information and provide input as they’re conducting their daily activities.

Broad public engagement is not anticipated for our other proposed activities focused on hiring staff, improving internal capacity, conducting technical analysis, and distributing development loans. Nevertheless, we would seek to attract and retain diverse applicants, consultants, and technical experts.

IV. HOW DOES YOUR PROPOSAL ALIGN WITH REQUIREMENTS TO AFFIRMATIVELY FURTHER FAIR HOUSING?

PLANS TO REMOVE BARRIERS TO AFFORDABLE HOUSING IN AREAS OF OPPORTUNITY

The vision of an inclusive Denver relies on a diverse range of residents, businesses and employees. Areas that become too homogeneous and exclusive threaten that vision by reducing or eliminating choice for anyone but the most affluent and privileged. A lack of housing options at various sizes and prices often means certain populations—including families, the elderly and people with disabilities—are not able to live in neighborhoods of their choice. Increasing the range of housing and job options will also advance the important goal to maintain and increase racial, ethnic and socioeconomic diversity in Denver’s neighborhoods.

While increasing the overall supply of housing can help address the affordability of the city’s new and existing housing stock, increased inventory alone is unlikely to produce housing affordable to the lowest income and most vulnerable residents. HOST’s 5-year strategic plan is aimed at preserving affordable housing and creating more truly mixed-income housing throughout Denver, with an emphasis on deeper affordability. We will increase homeownership in BIPOC-households to narrow the gap with the citywide homeownership rate of 50% and eliminate that disparity entirely in the longer term as these households have suffered from racist historic practices like redlining and higher rates of involuntary displacement.

Data tracked as part of the HOST Strategic Plan dashboard indicates that BIPOC households makes up 37% of Denver, but 61% of those experiencing homelessness and 44% of those experiencing cost burden. Further only 32% of BIPOC own homes compared to 68% of white households. By providing more affordable housing and preserving the affordable housing we
have throughout the city, we will combat involuntary displacement and contribute to the diversity of our neighborhoods.

The city of Denver is home to about 715,522 people. Almost half (45.8%) identify as People of Color. Present day maps of Denver demonstrate how Denver’s “inverted L,” the redlined neighborhoods that make up the far northeast and west side of Denver, historically received less investment and continue to have less access to resources. On an annual basis, Denver updates its maps of access to opportunity using key equity metrics. All zoning code changes, including those that may come from activities 1 and 2, must be analyzed against these key equity concepts to ensure they are creating more equitable outcomes in order to be consistent with Blueprint Denver and be adopted by city council.

PLANS TO REMOVE BARRIERS IMPEDING AFFORDABLE HOUSING THAT WOULD PROMOTE DESEGREGATION

In 2022, City Council approved the Affordable Housing Prioritization Policy, a policy aimed at curbing displacement in Denver. The goal of the prioritization policy is to help Denver residents at risk of displacement remain in their neighborhoods, and those who have been displaced return to their neighborhoods of choice. Additionally, the city requires developers of affordable housing to submit an affirmative marketing plan that must be approved before a final decision on the applicant’s loan application is made. The affirmative marketing plan requires that during the initial offering of affordable units, developers must make a good faith effort to market to eligible households that are the least likely to apply for those units. The affirmative marketing plan requirement is reiterated in the city's loan contracts with developers. The city will assist the developer with determination of the populations least likely to apply as well as community resources available, should they require such assistance.

AFFORDABLE HOUSING NOT CONCENTRATED IN LOW-OPPORTUNITY AREAS

Our proposal combines regulatory reform to expand options and incentivize missing middle housing in all neighborhoods and does not target areas of the city with existing concentrations of affordable housing. The infrastructure analysis will help guide strategic public and private investment into identified growth areas. Analysis of regulatory changes will ensure greater housing choice and improved access to opportunities using Denver’s key equity metric mapping.

The proposed Infrastructure and Environmental Remediation Contingency Loan Fund would allow the city to continue strategic partnerships with the affordable housing development community and leverage existing funding through other local, state, and federal funding sources. For example, the West Denver Renaissance Collaborative in 2019 launched an Accessory Dwelling Unit Pilot Program to encourage qualified low- and moderate-income homeowners to build detached ADUs in nine west Denver neighborhoods impacted by gentrification. The ADU pilot program was designed and funded with four goals: to stabilize homeowners and minimize displacement, provide wealth-building opportunity, create new long-term affordable units, and promote equitable access to ADU zoning and development by offering support and incentives that simplify design, financing, and construction of ADUs in exchange for long-term affordability.

UNIQUE HOUSING NEEDS OF MEMBERS OF PROTECTED CLASS GROUPS

While the proposed activities do not directly address any specific population, the overall goal is to provide more affordable housing and therefore more choice and opportunity for all residents. Any development receiving funding through the city will be evaluated against our strategic plans.
and long-term goals, including creation of more family units. HOST prioritizes funding to meet our community’s most pressing needs, including for housing that is affordable to those at the lowest income levels. Additionally, HOST will make a significant investment in homeownership programs and for-sale housing development to increase homeownership rates among BIPOC and low and moderate-income households. One of the key priorities for HOST is to commission a disparity study to document racial disparities and discrimination in housing in Denver and propose solutions that advance equity. The city is also evaluating participation in the Preservation Network’s Naturally Occurring Affordable Housing Preservation Fund established by CHFA and the State of Colorado to leverage funding for preservation projects in Denver which could benefit or expand options for members of protected class groups.

ISSUES IDENTIFIED IN DENVER’S MOST RECENT FAIR HOUSING PLAN

Many of the recent policy changes and programs mentioned in the Need section, such as creating a mandatory affordable housing program, addressing barriers to ADU’s, and adjusting group living rules to accommodate intergenerational families living together, respond to recommendations identified in the regional 2019 Analysis of Impediments for Fair Housing Choice report for Denver, Aurora, and Boulder. The grant activities proposed in this application aim to specifically target activities that would speed up the production and preservation of affordable housing for low-income and middle-income residents.

RISK OF DISPLACEMENT AND ANTI-DISPLACEMENT MEASURES

Our proposed activities highlight CPD’s goal to remove barriers to the development process to speed up the production and preservation of affordable housing. The City and County of Denver, has a suite of anti-displacement initiatives and cross-departmental programs led by HOST and NEST.

HOST is responsible for investing resources and creating policy to provide housing stability, resolve episodes of homelessness, and create and preserve affordable housing. For example, they are currently implementing a system to ensure that a percentage of income-restricted affordable units are made available on a prioritized basis to households that have been displaced or are vulnerable to involuntary displacement from Denver. The policy would apply to city-enabled affordable housing including, affordable units produced by the MAH program, residential units regulated through negotiated agreements, HOST funding recipients, and others required through policy.

NEST’s mission is to mitigate displacement and preserve the culture and character of Denver’s neighborhoods. NEST’s efforts are focused on priority neighborhoods, identified by the NEST index, in addition to any other areas of Denver undergoing large-scale development. A variety of programs ranging from neighborhood activation to community support mini grants to combat displacement in priority neighborhoods.

Every year we measure outcomes, including vulnerability to displacement, related to the plan goals, policies, and strategies set forth in Blueprint Denver. CPD is in the early stages of developing the program to implement the newly created impact investment special revenue fund (IISRF), which specifically earmarks city dollars to increase support for anti-displacement programs and investments in priority neighborhoods that have been identified by NEST. The IISRF aims to create additional mitigation resources for public agency-initiated infrastructure projects that can impact the likelihood of gentrification and displacement. We are committed to continued interagency coordination, working closely with HOST and NEST to pair CPD’s role in
the production and preservation of affordable housing with neighborhood and housing stabilization.

NEEDS OF PEOPLE WITH DISABILITIES AND ACCESS TO HOUSING

As with the protected class groups, our proposed activities do not directly target creation or preservation of affordable housing for any particular group but intend to create more opportunity throughout the city. All development must comply with ADA regulations as required during the building permit plan review process. Our goal is to increase housing in growth corridors as identified in Blueprint Denver which will support all populations with independent living and access to transportation and amenities such as schools, grocery, and jobs.

In 2022, the city focused on seven key priority goals from its 2019-2023 Consolidated Plan: 1) create and preserve housing affordability, accessibility, and quality; 2) support business and workforce development; 3) foster equitable access to city and neighborhood amenities and services; 4) assist people who are homeless and at-risk of homelessness; 5) assist populations with special needs; 6) assist persons living with HIV/AIDS; and 7) affirmatively further fair housing choice.

The city took a multi-faceted approach to tackle these priorities by funding a wide variety of programs and projects, with a large group of organizations. Many funded programs addressed multiple priorities simultaneously. Examples include the funding of neighborhood-focused public service programs, public facilities and improvements, gap financing for small businesses, and housing development projects in target neighborhoods. City-wide programs were also funded in multiple priority areas to provide comprehensive support for populations in need across the city. These efforts included housing counseling, tenant-based rental assistance, homeownership assistance, special needs programs, business support offices, and programs to support persons living with HIV/AIDS. By addressing several priority program areas under these activities, federal funds have a greater impact on residents who may need of several different forms of assistance.

IMPLEMENTATION AND/OR ENFORCEMENT PLAN FOR PROPOSAL

Implementation of our proposal will occur over several years and in multiple stages. Many of those will include public outreach as is typical for any regulatory reforms proposed by CPD. Most of the activities will also require engaging consultants and collaboration with multiple city agencies to develop the framework, conduct analyses, and present recommendations to city leadership include Executive Directors, City Council, and the Mayor’s Office. As with any policy updates and funding proposals, we anticipate the possibility of political resistance or public opposition. Much of this can be mitigated with effective community involvement throughout the course of the project. Ultimately, the goal of the proposed activities is to expand choice and opportunity and still allow market forces to guide the ultimate location and type of development. We anticipate the creation of additional zoning and financial incentives targeted at the creation and preservation of income restricted units, but foresee a boost in naturally occurring affordable units as a result of the proposed activities, especially streamlining permit process and increasing review team capacity for affordable projects. City staff are prepared to appropriately engage with all stakeholders and in the event of litigation, coordinate with the city Attorney’s Office.
EQUITY-RELATED EDUCATIONAL RESOURCES, TOOLS, OR PUBLIC INPUT
Many of the focus areas of our proposal are a direct response to concerns heard from outreach through Blueprint Denver, our Neighborhood Planning Initiatives, and feedback heard from the development community during the EHA outreach process. The proposed grant activities will address a need for more affordable housing for low- and moderate-income households.

ENGAGEMENT OF MINORITY-, WOMEN-, AND VETERAN-OWNED BUSINESSES
We plan to engage and support minority- and women-owned businesses to participate in the contracts contemplated by this proposal. As established by Denver ordinance, the Division of Small Business Opportunity (DSBO) team creates and expands contract opportunities for small, minority, and women-owned businesses. DSBO certifies socially and/or economically disadvantaged eligible businesses, conducts outreach and provides technical assistance for certified firms, analyzes city solicitations to determine if a DSBO program should apply; tracks, monitors, and reports on utilization; and ensures contract compliance. DSBO conducts a disparity study approximately every five years to evaluate the utilization of minority and women-owned contractors in city procurement of construction, professional design, and goods and services, and evaluate city contracting procedures accordingly.

In a separate program, Denver will be partnering with community organizations, banks, and local businesses to help administer the city’s first equity-focused business investment fund to level the lending playing field for minority- and women-owned small businesses, and with these partners, grow the fund to $50 million in the next five years. Denver also plans to open a new innovation center in Northeast Park Hill focused on supporting entrepreneurs of color.

DIVERSITY AND EQUITY PLAN IN PLACE
The Mayor’s Office of Social Equity and Innovation (OSEI) works with city agencies and departments to eliminate social inequity, and race and social injustices by evaluating institutional and structural government systems, policies, and practices to dismantle racism. Every city agency has an Equity, Diversity, and Inclusion (EDI) team comprised and every agency under the mayor's purview must have a racial equity action plan (REAP). These plans consist of strategies created in partnership with OSEI to ensure equity is embedded into the practices and processes of each agency.

OTHER EQUITY CONSIDERATIONS INFORMED BY LOCAL CIRCUMSTANCES
Through Denver’s Basic Income Project, the city provides more than 140 women and families with $1,000 a month for a year, helping them to move from homeless shelters into stable housing. In addition, Denver will be expanding a new down payment assistance pilot for people who lived in neighborhoods targeted by racist practices like redlining. Other equity considerations are described throughout this application.

DESEGREGATION, ACCESS TO AREAS OF OPPORTUNITY, AND DE-CONCENTRATION OF AFFORDABLE HOUSING
With the adoption of Mandatory Affordable Housing, high-market areas (i.e., well-resourced areas of opportunity such as Downtown and Cherry Creek) are required to provide a higher percentage of income restricted units or pay a higher fee-in-lieu. This promotes mixed-income communities and promotes desegregation by creating more income-restricted units in these neighborhoods that are largely unattainable to the average Denverite. Our proposal includes
regulatory reform to incentivize missing middle housing that has traditionally been absent from the well-resourced, predominantly single-family neighborhoods.

In 2022, City Council approved the Affordable Housing Prioritization Policy. The goal of the prioritization policy is to help Denver residents at risk of displacement remain in their neighborhoods and help those who have been displaced return to their neighborhoods of choice.

Additionally, the city requires developers of affordable housing to submit an affirmative marketing plan that must be approved before a final decision on the applicant’s loan application is made. The affirmative marketing plan requires that during the initial offering of affordable units, developers must make a good faith effort to market to eligible households that are the least likely to apply for those units. The affirmative marketing plan requirement is reiterated in the city's loan contracts with developers. The city can assist the developer with determination of the populations least likely to apply as well as community resources available.

PROGRESS AND EVALUATION OF EFFORTS TO ADVANCE RACIAL EQUITY
CPD coordinates an annual process of calculating metrics and sharing progress with city leaders and the community. After implementing recommendations from the proposed grant activities, we will utilize our existing metrics system in Blueprint Denver and permitting data, to track how changes to CPD’s processes produce more affordable units. In addition to reaching our goals related to equity and housing, we hope to see positive progress toward reaching the city’s goal of Race no longer determining outcomes for cost burden, displacement, homelessness, and homeownership in Denver.

AFFIRMATIVE MARKETING TO DEMOGRAPHIC GROUPS
Affirmative marketing is not applicable based on our proposed activities, which do not directly fund housing units. However, as described previously in this application, the city does require affirmative marking for certain projects.

V. WHAT ARE YOUR BUDGET AND TIMELINE PROPOSALS?

BUDGET OF ACTIVITIES WITH SOURCES OF FUNDS AND COST ESTIMATES
Our overall budget is over $19 million and estimates all costs in the HUD-424-CBW form submitted with this application, as summarized by our proposed activities in the table below. As a single applicant, we determined the budget based on the midpoint of salaries for all staff positions that will contribute at least 20% of their time toward one or more of the proposed activities, considering the possibility of a change in specific staff over the grant’s performance period. While we are requesting grant funds for one grant administrator and four new positions dedicated to the AHRT team, we are committed to providing an in-kind staff match for all existing positions that would work on the proposed activities, as well as associated indirect costs for all existing and new positions. Indirect costs are calculated based on the de minimus rate of 10%. Estimates of consultant fees are based on our experience with similar, previous projects. The budget also includes approved city funds that we are committed to directing toward this effort. We believe our budget is cost-effective, in line with industry standards, and sufficient to implement the proposed activities, as we have spent a considerable amount of time over the last few years addressing our need for more affordable housing and identifying the activities we still need to pursue.
MINIMUM FUNDING AMOUNT FOR PROPOSAL AND ACHIEVEMENTS

We understand that the maximum grant award is $10 million and we are requesting over $9 million to implement our full list of proposed activities. However, if not fully funded, we could still execute a successful program. We are committed to Activity 1 as Mayor Johnston has already budgeted $200,000 toward consultant fees to help us undertake a full analysis of zoning, building, and other regulations and processes that will help simplify and streamline development in Denver that would facilitate the creation and preservation of affordable housing. We would also like to pursue activities 4 and part of 5 to identify how to maintain existing AHRT staff in the long term and fill new positions, as this team has already demonstrated success in alleviating the permitting backlog for affordable housing projects. The development of technical assistance tools in Activity 6 would also remain a priority toward increasing transparency and predictability in the approval process. Even with a reduced program, we would still hire a grant administrator or equivalent staff in Activity 8 to ensure grant compliance, monitoring, and reporting, but this position could also help manage remaining activities.

Thus, if we were only to receive 50% of our request, we would likely cut activities 2, 3, and half of 5 for a reduction of over $2 million in grant funds. We could also reduce our loan fund request in Activity 8 from $4 million to $1.5 million, but may need to similarly reduce our match, which would result in fewer affordable housing projects receiving much needed funds for infrastructure upgrades that are identified late in the development process, as mentioned in the Need section.
Here is our schedule of all activities and subtasks, with milestones at the end of each subtask.

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<th>ACTIVITIES &amp; TASKS</th>
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<td><strong>ACTIVITY 3: INFRASTRUCTURE ANALYSIS</strong></td>
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<td>3d: Estimation of Growth Impact</td>
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<td>3e: Evaluation of Priorities</td>
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<td><strong>ACTIVITY 4: AHRT CAPACITY</strong></td>
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<td>6c: Funding Recommendations</td>
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<td><strong>ACTIVITY 5: AHRT STAFF</strong></td>
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<td>5a: Confirm Team Positions</td>
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<td>5b: Recruitment &amp; Onboarding</td>
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<td><strong>ACTIVITY 7: LOAN FUND</strong></td>
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<td>7b: Develop Loan Terms / Criteria</td>
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<td>7c: Distribute funds</td>
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<td><strong>ACTIVITY 8: GRANT PROGRAM ADMINISTRATOR</strong></td>
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<td>8b: Recruitment &amp; Onboarding</td>
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I. WHAT CAPACITY DO YOU AND YOUR PARTNER(S) HAVE? WHAT IS YOUR STAFFING PLAN?

ENTITY THAT WILL LEAD IMPLEMENTATION OF THE PROPOSED ACTIVITIES

CPD will lead implementation of the proposed activities. The department works with Denver communities to help guide the city’s growth, enhancement, and preservation. Staff within our Planning Services division prepares citywide, neighborhood, and area plans, as well as leads updates to the zoning code to modernize land use regulations and implement our long-range policies and strategies for inclusive growth. Staff within our Development Services division reviews, permits, and inspects development applications with the objective of ensuring that future construction meets the community-led regulations laid out in Denver's zoning codes and the rigorous standards of the city's building, fire, and energy codes. The department has significant capacity to manage the proposed activities with several diversified and specialized teams and we are requesting funds to increase our capacity by hiring additional staff.

PROJECT MANAGEMENT, QUALITY ASSURANCE, FINANCIAL AND PROCUREMENT, AND INTERNAL CONTROL CAPACITY

As a CDBG entitlement city and Colorado’s largest municipality, Denver is well-staffed with decades of experience with major project management, Federal grant administration, quality assurance, financial procurement, and internal controls that will ensure successful management a grant of this size and scale. Denver’s Controller's Office is responsible for the accounting, payroll, and financial reporting for the City and County of Denver. In addition, the Controller's Office establishes, maintains, and enforces the City’s accounting policies, practices, and procedures. Contracting and procurement are governed by ordinance and executive order, and purchasing functions are led by the Department of General Services. An independently elected auditor leads internal audit services. CPD finance staff are experienced and regularly trained in compliance with the highest standards of fiscal responsibility.

LEADERSHIP CAPACITY AND LEGAL AUTHORITY TO IMPLEMENT PROPOSAL

Under the Colorado State Constitution, the Denver City Charter, and other applicable statutes, the City and County of Denver is a home rule unit of local government led by an elected mayor and city council with full legal authority to administer development review, hire staff, promulgate land use and zoning laws, create revolving loan funds, and carry out all other functions of local government required to implement the activities described herein. While we embrace a culture of knowledge sharing and capacity building for other governments to learn from Denver’s experience, no other government entities are necessary for implementation.

PARTNERS

Our approach doesn’t include external funding partners, but rather relies on the expertise and capacity of internal agencies to manage and implement the proposed activities.

COORDINATION OF PARTNERS IN PREVIOUS PROJECTS SIMILAR IN SCOPE

As described throughout our narrative, we regularly partner with other Denver agencies, external local and state entities, funders, community organizations, the general public, and other stakeholders to inform and improve our projects, processes, and outcomes. For our proposed activities, we would continue to partner with HOST and DOTI, as well as the Mayor’s Office.
HOST collaborates with CPD on the creation and preservation of affordable housing throughout the city. HOST’s vision is to build a healthy, housed, and connected Denver by investing resources, creating policy, and partnering with organizations to keep people in their current homes. HOST helps connect residents to new housing opportunities through policy, investment, and partnerships that create and preserve income-restricted affordable housing units, and support residents in accessing affordable housing options through programmatic tools such as down-payment assistance and housing counseling.

DOTI is responsible for road maintenance and repair; residential trash, recycling and compost collection; design and construction of streets, bridges, public buildings, and storm and sanitary sewers; mobility and parking services; oversight and regulation of use of the public right-of-way; and implementation of the Environmental Management System. The Department of Transportation includes a planning, design and build team focused on Denver’s safety, mobility and transportation initiatives for pedestrian, bicycle, transit, freight and vehicles. The team focuses on equitable transit solutions to advance the Denver Moves Transit plan by improving safety, increasing mobility options, managing and mitigating congestion, and addressing climate change. The Department of Infrastructure provides engineering and project management for three main focus areas within the Project Delivery Administration: Interagency including facility renovations, repairs and construction; and multi-faceted parks and recreation projects; Bridge including repair, maintenance and installation of new bridge infrastructure, and Environmental including new and replacement storm, sanitary, waterway and green infrastructure projects.

We would also partner with the Mayor’s Office on Activity 1: Regulatory Reform, specifically the Development System Performance branch, which oversees cross-agency permitting.

AUTHOR OF THIS APPLICATION
City staff wrote this application primarily from CPD. Drafting was led by Expanding Housing Affordability Administrator Emily Collins, who leads the AHRT team. Contributors included Regulatory Planning Manager Kyle Dalton, Planning and Implementation Manager Curt Upton, Principal City Planner Libby Kaiser who leads updates to the zoning code; Senior City Planner Justin Montgomery who works on rezonings and regulatory projects, Senior City Planner Edson Ibanez who works on rezonings and supports the AHRT team; Associate City Planner Jordan Hallman who supports programmatic plan implementation; and Intern Alison Lueck who provided research. HOST staff also contributed, including Housing Preservation Officer Jennifer Siegel and Catalytic Project Specialist Jon Colarelli. Senior Catalyst Laura McGarry of Point b(e) Strategies offered technical grant assistance in a contract capacity.

EXPERIENCE WORKING WITH CIVIL RIGHTS AND FAIR HOUSING ISSUES
CPD and our partners in NEST and HOST work with data, creating tools to visualize and analyze data for decision making and accountability. The online version of Blueprint Denver contains metrics, public ArcGIS story maps, and internal Esri ArcGIS mapping tools for equity analysis for regulatory activities such as rezonings, and the large development review process. DEDO and NEST created an index summary map to visualize ten different social, economic, and business factors. The tool was created to provide a transparent, consistent, and objective process to identify “priority neighborhoods”, or neighborhoods that may be more acutely susceptible to experiencing displacement. HOST has a public Microsoft Power BI dashboard that tracks the department’s progress toward their Five-Year Strategic Plan Goals. The dashboard includes advancing equity metrics that indicate progress toward a goal of race no longer determining
outcomes for homelessness, involuntary displacement, cost burden and homeownership. We also have a citywide map that tracks housing, including the number of affordable units produced, preserved, and permitted. Each of these departments have targeted programs and initiatives to reduce racial disparities and improve equitable outcomes.

**STAFF ORGANIZATION FOR PROPOSAL AND EXISTING STRUCTURE**

Staff positions contributing at least 20% of time to one or more of our proposed activities are included in our budget and organizational structure. Other staff contributing less than 20% of their time are anticipated to provide leadership oversight, technical expertise, public outreach, and administrative functions, but are not directly included. In Activity 1, Robert Peek, Director of Development System Performance within the Mayor’s Office, would coordinate the objectives of multiple departments, supported by Principal City Planner Libby Kaiser and Senior Development Project Administrator Dierdre Oss. In Activity 2, Libby Kaiser would lead a team of planners, including Senior City Planner Justin Montgomery, and associate city planners Alisa Childress and Fritz Clauson. An Engineer-Architect Specialist within DOTI would lead Activity 3, supported by Senior City Planner Jason Morrison who would ensure that analysis of infrastructure capacity and identified improvements align with plan goals and our proposed activities. Chris Gleissner, the Director of Site Design and Neighborhood Development, and Emily Collins, the Expanding Housing Affordability Project Coordinator and lead for the Affordable Housing Review Team, would oversee Activities 4, 5, 6 and 7 related to expanding AHRT’s capacity to streamline and fast-track affordable housing projects; hiring additional AHRT staff; developing technical assistance tools; and distributing revolving loan funds. These activities would also be supported by existing AHRT administrators and permit reviewers. Finally, a Grant Administrator would be hired in Activity 8.
EXHIBIT F:
LEVERAGE
CITY AND COUNTY OF DENVER
I. ARE YOU LEVERAGING OTHER FUNDING OR NON-FINANCIAL CONTRIBUTIONS?

LEVERAGED COMMITMENTS FOR THE PROPOSED ACTIVITIES

Our budget, submitted in the HUD-424-CBW form and uploaded with other application materials, provides our leveraged commitments as an indicator of Denver’s support toward utilizing the requested grant funds in a manner that will increase the effectiveness of our proposed activities. Our budget for all proposed activities totals over $19 million, as summarized in the Approach section, and we propose to match our request for over $9 million in grant funds with over $10 million in city funds, bringing our leveraged commitment to 52.7%. Direct cost commitments are distributed among our proposed activities as follows:

Activity 1: Regulatory and Process Reform: We would provide an in-kind staff match of $284,445 as well as a $200,000 match toward consultant fees.

Activity 2: Missing Middle Housing: We would provide an in-kind staff match of $679,017.

Activity 3: Infrastructure Analysis: We would provide an in-kind staff match of $47,934.

Activity 4: Affordable Housing Review Team Capacity: We would provide an in-kind staff match of $49,625.

Activity 5: Affordable Housing Review Team Staff: We would provide an in-kind staff match of $48,619.

Activity 6: Development Review Technical Assistance Tools: We would provide an in-kind staff match of $237,886.

Activity 7: Infrastructure and Environmental Remediation Contingency Loan Fund: We would provide an in-kind staff match of $35,950 as well as $8 million toward the loan fund.

Activity 8: Grant Program Administrator: We don’t propose leveraging commitments toward this activity, but minimal staff time would contribute to the hiring and onboarding of this position.

In addition, we propose to cover all indirect costs, amounting to $438,384, associated with our proposed activities.
EXHIBIT G: LONG-TERM EFFECT
CITY AND COUNTY OF DENVER
I. WHAT PERMANENT, LONG-TERM EFFECTS WILL YOUR PROPOSAL HAVE? WHAT OUTCOMES DO YOU EXPECT?

ACHIEVEMENTS UPON COMPLETION OF GRANT-FUNDED ACTIVITIES

Specific work products as a result of the grant-funded activities include analysis of development regulations from multiple city agencies and a strategy document outlining which regulations should be removed or amended to reduce the regulatory burden on affordable housing, which would be published and vetted through public engagement. Implementation of final recommendations may require adoption through City Council. The regulatory reforms aimed at missing middle housing, plus the code analysis and recommendations, would result in updated codes (zoning, building, etc.), as well as revised applications, forms, and other staff tools used to implement the codes. These activities may also result in updates to CPD, DOTI, and HOST strategic or comprehensive plans. Technical assistance tools developed with grant-funding would include graphics and process maps for both overall and specific steps in the entitlement process (e.g., steps and requirements for land conveyance, right-of-way dedications, and easement relinquishments), explanations for certain code provisions, application guides, tip sheets, and possibly the adoption of new technology to streamline the review process.

Deliverables of the infrastructure analysis would include a comprehensive inventory of all assets and conditions; modeling in sufficient detail to support the conceptual design and sizing of infrastructure; robust asset data management program; and comprehensive criteria to identify and prioritize multi-benefit projects. Additional work product would include a formal framework for strengthening and institutionalizing connections between land use and utility entities to collaborate on mutually beneficial policies. We would also produce and deliver a new loan program including the account, application criteria, and process. The loan program would be implemented long term by city staff, tracking dollars spent in a newly created, publicly accessible dashboard, resulting in the strategic development of infrastructure directly supporting affordable housing.

In Denver, we want residents to have equitable access to quality housing options that meet their affordability needs and the opportunity to increase wealth through homeownership. We want to reduce cost burden and the disparity in the housing-cost burden among low/moderate income households by income level, household size, race and census tract. We want to increase the homeownership rate among low/moderate income households, and reduce the racial disparity in homeownership between white households and BIPOC households.

Overall, the permanent and long-term effect of the proposed activities will be a streamlined, efficient permitting process with land uses that allow more robust options for housing diversity across the city. Technical assistance tools combined with implementation of code revisions and regulatory reform will create an easier to administer code and incentivize more development but also allow more efficient permitting, thus bringing more units to market faster. Additionally, infrastructure improvements funded through the proposed loan fund will have a permanent effect on achieving key components of transportation plans, as we work to alleviate the harm caused by past transportation decisions that have disproportionately burdened communities with residents that identify as BIPOC. Achieving transportation equity through strategic investment means living in a city where your identity no longer impacts your ability to thrive; where transportation is accessible and affordable to all; and where everyone has the opportunity to travel easily no
matter their race, ethnicity, income, or physical ability. Expected outcomes include, but are not limited to, an increase in the percent of middle-density housing, a reduction in housing costs and cost-burden, an increase in income-restricted housing and expansion of homeownership.

**POTENTIAL ROADBLOCKS AND ACCOUNTING FOR THEM**

Barriers to our proposal might persist due to political resistance or public opposition to the adoption of new zoning or building regulations or creation of a new loan fund program. Elected officials may discontinue funding for AHRT after 2026 or we may face ongoing challenges with recruitment, hiring freezes due to budget constraints, or decreases in revenue. Creation and implementation of revised codes, technical assistance tools, and technology are all potential roadblocks to implementing our proposals. Many of the activities will have a public outreach component and executive leadership along with City Council and the Mayor will strategically implement recommendations based on public and political support.

**REDUCTION OF HOUSING COST BURDEN FOR RESIDENTS WITHOUT INCREASING OTHER COSTS**

Denver’s commitment to infill redevelopment, mixed use communities, and increasing access to opportunity, will result in reducing housing cost burden for residents without increasing other costs, such as transportation costs. Due to state law, annexation is exceedingly rare in Denver. Much of the city’s housing growth occurs in redevelopment areas where the city can densify without sprawl, taking advantage of proximity to existing services including transit. Mixed use, rather than single use, zoning throughout Denver enables residents to live in closer proximity to jobs and amenities. The proximity of an amenity (including quality jobs, schools, parks, health care services and healthy food), the affordability of that amenity, and the safety and ease of access to that amenity are important elements of access to opportunity. A foundation of the Blueprint Denver growth strategy is directing growth to regional centers, community centers and community corridors that are connected by transit priority streets. With an increase in affordable units in Colorado’s dense capital city – particularly income-restricted units receiving funding through CHFA, Prop 123, DOLA, or HOST – we anticipate a reduction in housing cost burden for residents without increasing other costs.

**A MODEL FOR OTHER COMMUNITIES AND SCALING OF PROPOSAL**

Denver’s challenges are not unique but Denver seeks to be a model for the country. We share best practices and knowledge to stabilize our housing and help our most vulnerable residents. We do that by investing resources, creating policy, and building partnerships to provide housing stability, resolve episodes of homelessness, and create and preserve affordable housing. Our work is guided by our overarching core value of equity. Our work is person centered, trauma informed, and data driven.

Many jurisdictions around the country are investigating land use reforms to expand housing options and look to Denver as a model. Denver has already completed several zoning code updates including Group Living, Temporary Managed Communities, ADU barrier removal, and zoning incentives as part of the mandatory affordable housing requirement. The results of our proposed missing middle analysis would likewise be shared and could provide insight for other peer cities across the nation. The code analysis may also suggest possible zoning, building, or fire code revisions that other cities can apply to their adopted codes (for example, single staircase multifamily building allowances). We intend to work closely with our regional partners to share insights and engage with development community stakeholders that work across the state.
The Infrastructure and Environmental Remediation Contingency Loan Fund may be difficult for smaller jurisdictions to accommodate with current fee structures and budget constraints; however, if Denver is successfully awarded grant funding, perhaps our funding model, application process, and criteria can be used in a smaller-scale way if a small source of dedicated funding can be leveraged for other state or federal grants. Lastly, hiring additional staff to create a dedicated review team can be challenging for any jurisdiction; however, AHRT is our most successful innovation that had measurable impacts on the preservation and creation of affordable housing. This model can be replicated in any jurisdiction with a clear memorandum of understanding, prioritization policies, and leadership through a program administrator. Demand for inclusion in AHRT remains high and data from the inaugural year shows remarkable improvement in the overall entitlement timelines, predictability of review times, and the enhanced coordination efforts resolve issues in a timely manner thus bringing units to market faster. We will share the process behind creation of a limited term position, development of the program criteria, and technical assistance tools we have developed to aid our applicants.

ENVIRONMENTAL RISKS AND PROMOTION OF COMMUNITY RESILIENCE

The most significant environmental risks for the Denver community include extreme heat, poor air quality, increased drought/water scarcity, and severe weather. These environmental threats are anticipated to intensify with time as climate change worsens. Buildings and homes represent 64% of Denver’s 2019 greenhouse gas emissions and are a key component to addressing climate change. Denver's adopted zoning and building codes seek to mitigate the effects of climate change. The Denver Green Code, based on the International Green Construction Code, prioritizes lowering the carbon impact attributable to new buildings. It supports community health and resilience in a warmer, drier environment, and bolsters availability of essential resources like water and clean air. The city requires commercial and multifamily development to meet some provisions from this code. Additionally, the zoning code is intended to guide Denver's prosperous and sustainable future by promoting sustainable building and site design and the conservation of land, energy and natural resources. Denver’s voter-approved $50 million Climate Protection Fund invests in programs and projects to improve community resilience and mitigate and adapt to climate change.

SUCCESS AT THE END OF THE PERIOD OF PERFORMANCE AND METRICS

At the end of the grant-funded period, success looks like more housing opportunity, preservation of more naturally occurring affordable homes, expanded homeownership opportunities, and a reduction in cost burdened households. We achieve this through permitting more units as quickly as possible through a streamlined process and re-envisioned land use and building controls. Technical assistance tools will reduce permit times by providing effective support for applicants, whether a “do it yourself” homeowner or an experienced developer. Targeted outcomes will help those facing displacement pressure due to rising costs by expanding housing options. Code revisions will target the need to expand missing middle housing and bring much needed diversity to neighborhoods, allowing vulnerable areas to build wealth and areas of opportunity to become more accessible to a mix of incomes. Adding supply will hopefully address the rising median home price and equalize pressures of demand. Homelessness will be reduced by building more deeply affordable income-restricted units and funding projects with higher ratios of family-units to ensure more families can transition into permanent housing and out of shelters.

Specific metrics and outcomes include: 1) increase the percent of Denver homes that are income restricted from 7% to 8%; 2) create 6,050 affordable homes and preserve 950 affordable homes;
3) create and preserve 900 supportive housing units; 4) reduce cost-burden rate for low and moderate-income households from 59% to 51%; 5) increase homeownership rate for BIPOC households from 41% to 45%; 6) reduce unsheltered homelessness by 50%; 7) increase family exits from shelter and outreach to housing; and 8) reduce average length of homelessness to 90 days. Metrics that we will track but do not currently have a targeted outcome include: 1) percent of middle-density housing; 2) home size diversity; and 3) ownership vs. rental. Additional metrics and outcomes include permitting a minimum of 1,544 income-restricted units annually to achieve a three-year cycle goal (ending November 2026) of 4,631 units as committed in Prop 123. We will also continue to track capacity for AHRT, increasing beyond 30 projects, and reducing average permitting timelines with the goal of achieving overall entitlement between 6 and 9 months, or at minimum achieve the targeted milestones submitted by applicants. While we do not have a targeted metric on the Infrastructure and Environmental Remediation Contingency Loan Fund, we will track location of investment (NEST neighborhoods, neighborhoods vulnerable to displacement, etc.), overall dollars spent, costs per unit, and the number of additional units supported through the fund, as well as upgrades to utility assets such as pipe sizing, added linear feet, or increased peak flow capacity. Denver currently has six projects ready to proceed with formal development applications; however, they face substantial challenges due to limited utility capacity that requires significant and costly upgrades, typically over $1 million. Some of these projects are listed in the Need section and represent the types of projects that could be eligible for the loan fund.

LONG-TERM EFFECT ON REMOVING BARRIERS TO HOUSING PRODUCTION

Housing stability is the base that allows an individual to feel safer, connect to resources, engage with the community, including through employment and/or volunteer opportunities, and address comprehensive health needs. The combination of activities in our proposal will preserve affordable housing and create more truly mixed-income housing throughout Denver, with an emphasis on deeper affordability. We will connect our long-standing residents who feel housing-cost pressure to affordable housing in their neighborhoods. And we will increase homeownership in BIPOC households that have suffered from racist historic practices like redlining and higher rates of involuntary displacement.

We will help renters and homeowners with disabilities, many of whom have few adequate housing options, to modify their homes to meet their needs. We will support our aging neighbors to age in the places they’ve long called home by providing them with home sharing options. We will provide financial assistance to help households catch up on rent, and in doing so, help people who just gained reemployment not have to consider moving across town from their new job to find affordable housing. We will fund navigation services through community partners to help connect residents to resources, so working parents don’t have to move their children to new schools. And we will help tenants facing eviction, often after months of struggling to make ends meet through the pandemic, with legal representation to help them achieve a fair outcome. With this comprehensive regulatory, development, and infrastructure plan, along with the on-going implementation of recently adopted regulatory reforms, including Expanding Housing Affordability, Temporary Managed Communities, ADUs, Prioritization Policy, AHRT, and the many assistance programs outlined in the HOST Five-Year Strategic Plan, we will work to ensure housing stability throughout our city, helping our residents remain in their homes and neighborhoods of choice, and expand access to housing opportunities and homeownership, and reduce the number of cost-burdened households.