

## **HAND Statement on Denver's 'Expanding Affordable Housing' Plan Contact City Council to Ask for Better!**

The passage of HB21-1117 to allow cities to require that new developments include 'affordable housing' is a good pathway to creating more housing built at more affordable prices. The need for housing developments to be required to charge lower rents is critical. Without this we have seen how developers and landlords will simply sell or rent to the highest bidder, making more and more people houseless.

With that said, however, Denver's proposed 'Expanding Affordable Housing Plan' for implementation of this policy falls far short of what would be possible under HB21-1117 to expand affordable housing.

We appreciate the linkage fee was raised to be much closer to the level laid out in the feasibility study. However this linkage fee and associated fee in lieu do not cover the costs of building a different affordable housing unit to match the one that should have been built in that site. These fees will not make up for the continued development of unaffordable housing.

The current proposal would require new residential developments of 10 units or more to designate between 8% and 10% of the units as 'affordable.' Even according to the City's financial feasibility study, this % could be increased. Denver could and should require 15% to 20% affordability, in particular in neighborhoods more vulnerable to displacement.

Even more specifically, if this plan is to address our housing needs, all developments should be required to build housing to match the affordability needs of Denver residents. The report for this plan shows those housing needs based on the number of people cost burdened at different AMI levels. In order to meet the need the required AMI levels for this plan should match those AMI levels. This would mean the most units are built at 30% and 50% AMI, not 60 - 80% AMI.

This proposal, as it stands, will not directly create any housing for people under 50% AMI. Again, let us be clear, this proposal does not require developers to build any housing under 50% AMI. The only way anything from this proposal will affect low income and houseless people is if funds from the linkage fees paid are used for actual low income housing. Developers should be required to build housing at and below 50% AMI, including housing at or below 30% AMI. Furthermore, all linkage fee dollars should be earmarked for housing under 50% AMI.

To be more specific, linkage fee and fee in lieu money should be designated for housing that poor and houseless people can afford which should include building more housing priced below 30% AMI. We also recommend funds be used to subsidize people with housing vouchers as they are searching for housing so they can be competitive in the market where housing is all more expensive than vouchers will pay.

Lastly, to have real impact this plan should be retroactive. All housing developments should be required to have low income units, not just those built from now on.

If this proposal passes, especially if it passes as is, be it noted that this does not create housing for houseless or very poor people. The City cannot try to use the existence of this policy to say they are creating housing for poor or houseless people.

We stand with a large coalition of community organizations, services providers, and poor people making these demands to make the affordable housing requirements the strongest they can possibly be under state law.

Please contact your council person and ask that they support these changes to make more affordable housing. Find your council person's contact information here <https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Denver-City-Council/Council-Members>

See details of the HOST proposal for breakdowns of AMI level here:

Staff Recommendation for high market areas

The applicant may choose from two on-site build options:

On-Site Option 1: • Rental: 10% of total units up to 60% AMI • Ownership: 10% of total units up to 80% AMI;

or On-Site Option 2: • Rental: 15% of total units averaging 70% AMI serving households with incomes up to 80% AMI • Ownership: 15% of total units averaging 90% AMI serving households with incomes up to 100% AMI

Staff Recommendation for typical market areas

The applicant may choose from two on-site build options:

On-Site Option 1: • Rental: 8% of total units up to 60% AMI • Ownership: 8% of total units up to 80% AMI;

or On-Site Option 2: • Rental: 12% of total units averaging up to 70% AMI serving households with incomes from 50% to 80% AMI • Ownership: 12% of total units averaging up to 90% AMI serving households with incomes from 60% to 100% AMI

Read the Full HOST policy report here:

[https://denvergov.org/files/assets/public/community-planning-and-development/documents/zoning/text-amendments/housing-affordability/eha\\_proposed-policy-approach\\_february\\_2022.pdf](https://denvergov.org/files/assets/public/community-planning-and-development/documents/zoning/text-amendments/housing-affordability/eha_proposed-policy-approach_february_2022.pdf)