AFFORDABLE HOUSING IN DENVER:
WHY WE SHOULD CARE & WHAT YOU CAN DO ABOUT IT

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WHAT DOES AFFORDABLE HOUSING LOOK LIKE?

MONARCH MILLS
Denver

MARIPOSA
Denver
WHAT DOES AFFORDABLE HOUSING LOOK LIKE?

FIRE CLAY LOFTS
Denver
WHAT DOES AFFORDABLE HOUSING LOOK LIKE?

PARKVIEW TERRACES
San Francisco
WHAT DOES AFFORDABLE HOUSING LOOK LIKE?

VIA VERDE
New York
• Monthly housing expenses should be less than 30% of a household’s gross monthly income to be affordable to the household.

• City computes income limits based on local Area Median Income (AMI). One person household is $53,700 and 4 person household is $76,700.

• City’s focus is on households up to 80% AMI - $42,950 maximum for a single person and $63,900 for a four person household.

• The average two bedroom apartment rents for $1,550 a month but 80% AMI only supports rent payment of $1,100.

• The average priced home in Denver sold for $322,500 but 80% AMI can only afford to pay $233,500 for a home.
DENVER’S AFFORDABLE HOUSING SPECTRUM

The Continuum of Housing

**Critical Needs**
- Up to 30% AMI
- Single-person household income up to $16,100

**Workforce Rental**
- 30-80% AMI
- Single-person household income up to $42,960

**Workforce Ownership**
- 60-120% AMI
- Single-person household income up to $64,440

WHO IS DENVER’S WORKFORCE?

- Dishwasher: $19,380 (36% AMI)
- Food prep/service: $22,680 (40% AMI)
- Home health aide: $24,980 (45% AMI)
- Teaching assistant: $27,620 (52% AMI)
- Bank teller: $29,330 (54% AMI)
- Bus driver: $32,920 (61% AMI)
- Comm health worker: $36,830 (70% AMI)
- Public school teacher: $38,765 (72% AMI)
- Police officer: $46,913 (84% AMI)
- IT user support: $55,100 (103% AMI)
Understanding the current “need” for housing in Denver

A “Cost-Burdened” household is one that pays more than 30% of its gross monthly income for housing + utilities.

- **< 30% AMI**
  - 30% AMI: $16,800 for 1-person household, $24,250 for 4-person household

- **31 - 60% AMI**
  - 60% AMI: $33,600 for 1-person household, $47,940 for 4-person household

- **61 - 80% AMI**
  - 80% AMI: $44,750 for 1-person household, $63,900 for 4-person household

- **81 - 120% AMI**

Gap financing for new supportive housing
Emergency Shelter Grants
Tenant-Based Rental Assistance

Gap financing for new rental
Tenant-Landlord Counseling
Rental assistance

Gap financing for new for-sale
Inclusionary Housing Ordinance
Down Payment Assistance
Housing Counseling
Colorado Statewide Report on Affordable Housing

Housing Colorado’s Report:
• Colorado has a shortfall of 100,000 affordable housing units
• 60,000 unit shortfall in metro Denver
  • 2/3 of these are under 30% Area Median Income ($24,250 for a four-person household)
• 30,000 unit shortfall in the City of Denver
What’s left after housing costs for a family of four?

A family that earns an annual income of roughly $59,000 and spends just 30% of their monthly income on housing lives on a very tight budget. If this family, like 25% of Colorado renters, spends more than 50% on housing, then essential living expenses have to be cut.

Living Expenses

$3,653
- taxes $983
- car expenses $630
- groceries $550
- child care $500
- medical insurance $350
- spending money $200
- utilities $150
- cell phone/internet $150
- student loan $120
- clothing/shoes $20

Source: Regional Housing Alliance, December 2014. Sample budget based on housing counseling data.
WHY SHOULD WE CARE?

1. Human Impacts
   • Homelessness, long commutes, away from family, stress, homogenous communities. What do we value?

2. Overall Economic Impacts
   • Employer challenges with workforce supply, retaining employees, recruiting businesses.

3. Downtown Specific Concerns
   • Millennials want to be here, but can’t afford it. Many apartments but no condos.

4. Choice
   • Rental/homeownership
1. Support More Funding from City and State
   • Denver proposals
   • State legislation
   • MAAH

2. Encourage employers to address housing for their employees

3. Support Affordable Housing Developments in your community – counter NIMBYism
A three-pronged, communitywide and comprehensive strategy to catch up and keep up:

- $8M allocation in 2016 budget
- Minimum $15M permanent allocation each year, starting 2017 for ten years = $150M
  - Create, preserve, rehab 6,000 units over 10 years to meet full spectrum of needs from homeless to workforce rental to home ownership.
- Other Policy and Tax/Fee Relief Strategies
PROPOSAL FOR DENVER’S NEXT BOLD STEP TO ADVANCE AFFORDABLE HOUSING

New Permanent Dedicated Affordable Housing Fund
- Minimum of $150 million in first 10 years
- To assist families earning $0 to $63,900 (family of four)

6,000 new or preserved affordable homes

- Permanent Housing for homeless with supportive services
- Low to moderate income workforce rentals
- Moderate income homeownership

Portion of Property Tax Mill

Linkage fee on square feet of new residential & non-residential development

Flexibility to provide cash assistance or create other housing programs
“Linkage fees” for affordable housing

“Linkage fees” are a form of impact fee used to fund capital improvements for affordable housing needs caused by new commercial and residential development.

• **Commercial linkage fees**, a common tool in Denver’s major peer cities, are assessed on non-residential development (for example, office, retail, hotel, industrial, etc.) based on **mitigating the need for workforce housing generated by new or expanded business resulting from development**.

• **Residential linkage fees** have historically been used in smaller, more expensive resort communities, but are increasingly used in large cities with limited inclusionary housing programs. Residential linkage fees **mitigate the need for workforce housing created by consumer demand for commercial businesses**.
UPCOMING COLORADO STATE LEGISLATION

1. **State Low Income Housing Tax Credit Extension**
   Reinstated in the 2014 session, this tax credit is scheduled to sunset at the end of 2016. Extending the program beyond this is a high priority and interest in this credit has been expressed by both parties.

2. **Unclaimed Property Fund**
   This bill would allocate 30% of the remaining annual balance from the Unclaimed Property Fund to fund affordable housing. At this time, there is not a prescriptive formula for how these funds must be spent, although several ideas are being considered.

3. **Document Recording Fee**
   This concept proposes raising the existing document recording fee from $1.00 to a higher amount ($2.00, and higher amounts, have been proposed), then reinstituting the 50% share back to the state to be placed into an affordable housing trust fund. Housing Colorado and other partners are encouraging that the fund be flexible to enable administering agencies to use the resources to address a variety of affordable housing needs.
MAAH stands for Mothers Advocate for Affordable Housing. We are a diverse coalition of women and men who are concerned about the lack of affordable housing throughout Colorado. MAAH members hold quarterly luncheons to discuss advocacy opportunities and efforts to aid in the creation of affordable housing solutions.
WHAT AM I DOING TO ADDRESS THE AFFORDABLE HOUSING CRISIS?
• Project co-developed by Urban Ventures and Perry Rose
• Former Marycrest convent site
• 17.5 acres
• Master planned community
• Mixed-use
• Multi-generational
• Preserving historic buildings on site
• Health-focused
• 400 residential units
• 22,000sf of commercial
WHAT IS OUR APPROACH – ARIA DENVER

1. Promote community health
2. Be a mixed-income community
3. Include residents of all ages
4. Offer a variety of housing types
5. Engage the broader neighborhood
6. Be a steward of the environment
ARIA COHOUSING

- The former Marycrest convent building (35,000sf) at the center of the campus will be converted into a 28-unit intergenerational Aria Cohousing Community (for-sale)
- 8 of the 28 units will be designated affordable at 80% AMI
- Cohousers participate with Urban Ventures in the design process
- Aria cohousers have a commitment to living in a collaborative, healthy, sustainable community
28 CONDO UNITS AT THE ARIA COHOUSING COMMUNITY

ARIA COHOUSING.COM

52nd & Federal - Across from Regis University
(2835 W Parkside Place, Denver CO 80221)

COMPLETION EARLY 2017

1-3 Bedroom Units
Price Range: $169K - $480K
586-1,537 Sq. Ft. Per Unit
Chaffee Park