



REAL ESTATE PRACTICE GROUP | DECEMBER 2014

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Otten Johnson Alert -

Funding Denver Affordable Housing in 2015

Mayor Michael Hancock recently released the Housing Denver Plan (the “Plan”). The Plan is intended to be the City’s affordable housing guidance document, setting forth the City’s principles, priorities and goals. Prepared at the direction of the Mayor’s Housing Advisory Committee, the Plan builds on the ideas established by the Mayor’s Housing Task Force convened in early 2012. Denver’s Office of Economic Development (“OED”) is ultimately tasked with implementing and updating the Plan. Not surprisingly, the Plan’s top priority is establishing a dedicated and reliable funding stream for the establishment of affordable housing. To define the size of such stream, OED will need to fully understand the funding need in light of Denver’s population growth and associated building explosion. The funds should come from multiple public and private sources, and the Plan recognizes this.

On the public side, Denver has committed \$3.0 million from the general fund and another \$3.0 to \$5.0 million in leveraged investments. OED also receives Federal HUD funds, though over the past five years, the annual allocation has decreased by more than 30% from almost \$16 million in 2010 to less than \$11 million last year. Although these public sources are an important part of the overall need, such funds are neither dedicated nor reliable, and so they do not fulfill the Plan’s stated priority. So, it is more critical than ever to identify other, more reliable funding sources.

The Plan identifies certain private alternatives, including the mortgage market, philanthropic entities and non-profit housing providers. To truly find a long-term funding solution, OED must work cooperatively with stakeholders across the community, as all manner of land uses, including retail, industrial and residential contribute to the demand for affordable housing. It is only appropriate for the entire community to help secure Denver’s future by contributing to its affordable housing needs.

Our Real Estate practice group has extensive experience representing business and real estate clients – particularly developers of all types of housing. For more information on this Alert or for help evaluating your current situation, contact any of the attorneys in the Real Estate practice group ([click here](#)).

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