

# Affordable housing and social inclusion in Denver

By Kyle Cascioli  
and Dean Saitta  
Guest Commentary

Over the last 15 years, cities have provided, with the assistance of the U.S. Department of Housing and Urban Development (HUD), an increasing amount of affordable housing for the nation's poorest families. Even with the growth of HUD assistance programs, the nation's supply of affordable housing is currently insufficient to meet demand.

Affordable housing was a major talking point at the recent Rocky Mountain CitySummit 2016, a gathering of local urban thought leaders and nationally known keynote speakers organized by the Downtown Denver Partnership. One breakout session on "The Inclusive City" considered ways to address Denver's affordable housing chal-

lenge given the growing divide between rich and poor, volatile relations between the community and law enforcement, and concerns about gentrification.

What is meant by "social inclusion" with respect to affordable housing? It means distributing affordable housing options around the city so as to provide lower-income populations with more equitable access to civic amenities and necessities; e.g., public transportation, parks and open space, libraries and museums, full-service grocery stores, and more. Location, as always, is key.

Why is equitable spatial distribution of affordable housing a good thing? For lower-income people, it reduces the cost of accessing necessary resources, jobs, and life enrichment opportunities. But just as important, it is good for everyone. A significant body of scholarly research has developed over the last 25

years demonstrating that more integrated and equitable metro areas are able to create more jobs, raise household incomes, and better sustain economic growth. This conclusion holds for cities in democratic societies worldwide. In short, social equity pays economic dividends that benefit the entire city.

A Denver developer seeking municipal approval for a mixed-use urban core development is required to allocate a certain percentage of affordable housing — either owned or leased — based on a housing affordability index benchmarked to the local municipality and a formula established by HUD. Developers meet this affordable housing requirement in one of three ways.

First, the developer can create an affordable housing lottery that will dedicate a certain number of affordable units within the residential component of the project.

This approach produces social inclusion of lower-income households in the same residential structure as those more economically advantaged households.

Second, the developer can build a separate residential building dedicated to affordable housing. This segregates lower income households within the mixed-use project.

Third, the developer can opt out of building affordable housing by placing monies in a municipally managed fund to develop affordable housing elsewhere in the city. This excludes lower-income households from the project altogether and reinforces spatial segregation of citizens by class and racial identity.

Developers in Western cities rarely take the first, more inclu-

sive approach. Most developers here in Denver will either segregate the affordable housing structure within their mixed-use development or pay the requisite fee to opt out.

Recently, the secretary of HUD introduced a plan that would require municipalities to develop affordable housing on available residential sites in affluent communities if those municipalities hope to receive future HUD monies. This is part of a more aggressive effort by the agency to redress years of discriminatory housing practices.

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