Travis Brooks – Housing Denver Episode 2 (<https://www.mymetmedia.com/hdep2>)

**Travis:** Andy Proctor is the director of the relatively newly established Affordable Housing Institute at MSU Denver. Andy has worked in affordable housing, and we sat down for a conversation where he talked about what affordable housing even is, homelessness, and the many causes for the high housing costs Denver is seeing right now, among many other interesting things. Please have a listen to the conversation.

**Travis:** Thanks again for being here. To start, would you mind just giving me an introduction of who you are and what you do at MSU Denver?

**Andy:** Yeah, my name is Andy Proctor and I am the director of the MSU Denver Affordable Housing Institute, which is part of the Real Estate program at the College of Business at MSU Denver.

**Travis:** Can you tell me what is the MSU Denver's Affordable Housing Institute? What's their focus? What's the work that you do there?

**Andy:** Yeah. Can I start with a little background, please? So, in affordable housing, especially in Colorado, there hasn't really been an undergraduate program to get you into the field. So, if you have an interest in it, really you come through a different academic path or you go through really on the job training and so you ask for an internship or you apply for a job. You have background in it or not, and oftentimes as a first-time employee in a field, you don't have a good solid background in it. So an employer takes a chance on you, and you take a chance on the job and whether it's going to fit or not. At the same time, my last paying job was at the State of Colorado Division of Housing, and in that role, I had nine people reporting to me. And when there was turnover and I had to hire someone, very few times did that person have affordable housing experience and so we hired them and we would train them and you know, sometimes that takes a year or more. And so, to me, this is a wonderful opportunity to get people in and trained at the undergrad level with affordable housing classes and at the same time meet workforce needs for the affordable housing industry. Where people are really looking for people who can come on the job and start working quickly, because they know the essentials of affordable housing.

**Travis:** So, at the institute, are you essentially building and offering affordable housing majors and minors or just classes? What's the specific structure there?

**Andy:** Yeah, great question. So from its start, the Affordable Housing Institute was a collaboration between the Department of Social Work at MSU Denver and the real estate program. And backing up even further, MSU Denver has established a real estate program. They had an Advisory Council, and that Advisory Council started lobbying for an affordable housing program so that that was the original AHI affordable housing institute sort of birth.

 And from the conception of it, it was really going to be a partnership between the Department of Social Work and the School of Real Estate. And the idea was a social work student could take three classes within real estate or affordable housing and get a badge in affordable housing. At the same time, an affordable housing person could take three classes in affordable housing as well as three social work classes and then you get a certificate between the two of them in affordable housing. So really it was this conception of three and three makes one certificate. The basic foundational idea is can you provide property management resident services and employees at large for the affordable housing industry that really serve the needs of employers and at the same time residents. Can you provide wrap-around services to residents to keep them growing and sustainable and stable within their communities and keep their communities stable as well?

**Travis:** Is this a brand-new program? How old is this?

**Andy:** Let's see, I've been here for two months. So, it's about a 2-month-old to 4-month process.

**Travis:** OK, that's pretty much new.

**Andy:** It's pretty much new. Yeah, the ramp up has been maybe a year and a half to two years, but we've really hit the ground running and so you know, I think it was sort of foundational conceptual work, like how would this work and how would the partnership between social work and real estate go? That was sort of the pre-work, but filling in the curriculum and doing all sorts of other stuff. It's really been since I've been here a couple of months ago, the beginning of August.

**Travis:** Gotcha. And so maybe I think this could be a good time to ask, you know, what is affordable housing? The way that you're talking about it here.

**Andy:** What does it mean to you?

**Travis:** What I'm hearing from you is it sounds kind of like what maybe people in the media industry might call capital A affordable housing. As in income restricted or subsidized affordable housing. It sounds like that's the focus of the program that you're working on, but I wasn't sure, I wanted to ask.

**Andy:** Yeah, well, so the first class, the foundational class, is going to be something called Introduction to Affordable Housing. That'll be in the Spring of 2025. So, a couple of months from now, well, I'm going to back up. So, I'm going to advertise that class and really getting into this field starts with that class, which as of today will be in the class schedule. But it's not in the course catalog because we didn't get it into the course catalog. So, part of that will be really defining what affordable housing is because if you ask 20 different people, my guess is. You'll get 20 different answers, so capital, as you refer to it, capital, affordable housing can mean many different things depending on who you're talking about and who you're trying to serve. So that could be homelessness through home ownership and all those implies some level of subsidy or some level of creative finance and some sort of restriction on it to ensure that you've done all this work and it keeps affordable for some period of time.

There's also this new term called NOAH. NOAH or naturally occurring affordable housing. Which is if there's an apartment building over there, it's less expensive and so it serves residents at less than the market rate unit around the corner, even though it's not subsidized.

 **Travis:** Would both of those be included. The students are going to be learning about in the affordable housing programs that you're talking about.

**Andy:** Yeah. We're not targeting NOAH’s in specific. It's really meeting the sort of workforce needs of the capital A affordable housing industry. I think, pick a time 20 years ago, it was people saying like “why don't people get this affordable housing thing?”. Like people need housing, housing is right, and we should be serving low-income folks. That conversation has really shifted over time, and it's really shifted as the State of Colorado has shifted and maybe that's true nationwide, but really it's, it's a recognition that now at many different income levels in many communities around the state, there is just not enough lowercase A affordable housing that people can afford. You know, people be it a low income person people be it a police officer or a nurse or a teacher. And so the scope of the problem has really expanded over the years, and the potential, you know, the, the sort of brainstorming and toolkit available to meet those broader ranges of folks has really expanded over the years that's still unfolding. And so, I think as the Institute goes forward and the coursework goes forward, we can work towards that. I'm not sure that the near future will hold that and trying to understand that and try to develop a workforce in that area. I could be wrong. We have an Advisory Council too and those folks may say, you know, this is pretty interesting and maybe we should figure out how to serve that. So that is a possibility as well.

**Travis:** And let me also get into just asking more about your background. You said you were working with some sort of government agency. What is your experience in working in affordable housing?

**Andy:** I started with the City of Boulder Housing Authority about 27 years ago, so my math is bad, so I just rounded up to 30 years but a while ago. A lot of people in affordable housing take one thing and they specialize in it, and they know it super deep and they're experts in their field. So, if you take the analogy of a beach. They are a grain of sand and they know that grain of sand really well. I've always been a beach guy and so my background has been really varied. It includes the public sector, it's included the private sector, it's included many years of consulting. Mostly it's been around Colorado, but it's certainly been nationwide as well. And, so really it's always been around sort of problem solving. Here's some weird problem, how do we bring a whole bunch of experiences together to try and solve it? Much of that experience has been around public sector funding and public sector housing policy as well.

**Travis:** What's the question I have for you about pretty high level? Affordable housing questions. And please get into more specific things that I haven't thought of because I'm not an expert on this if it sounds like that would be useful to you. But yeah, I guess to follow up on what exactly is affordable housing? What are the limits of affordable housing for people?

**Andy:** I think that's an interesting question. Let me ask you what you mean by limits, because I think that's a pretty broad term.

**Travis:** I guess when I asked that question, what I'm thinking about is, you know, me as a college student with not a lot of money. I see lots of different affordable housing being built in Denver. But I know it's not like I can just walk in there and get an affordable housing unit. That to me seems like a limit of affordable housing. It's not available to everybody, so as far as solving housing crisis, what are the limits of affordable housing in solving the housing crisis.

**Andy:** OK, I think I get it. So, like here's the thing, the last couple of years there have been a tremendous number of programs and a lot of money put into trying to solve the housing crisis. At times there's been very few dollars available and, much less public focus and creativity around. Like let's try this, that didn't work. Let's try that, that didn't work. Let's try this other thing so that creativity is wonderful now and try to go at the problem different ways as is the amount of money. Having said that there is never enough. Like there's never enough. Maybe there's enough creativity, but there's never enough money to universally solve this problem. And so, maybe you pick a program. I'm going to give you a weird example. There's this ratio of housing units to population and so if you take a place like Denver and let me not guess on the number, that number for Denver right now is 1.93 and it's been going down. So the ratio of available units to the population of Denver has been going down.

**Travis:** You're saying just overall housing units?

**Andy:** Yeah, not only affordable, just total housing units, total number of people. If you take a place like Vail, that number if I remember correctly is .93. So, like that means it doesn't matter how wealthy you are, there is not a housing unit for every household in that community. Can you build your way out of it? Maybe, but there's just not enough housing units available. I guess what I'm saying is you, as a public agency, as a nonprofit agency, you pick the target that you're trying to solve a problem for, and you focus your efforts there. So, there's this phenomenon also called a doughnut hole or a dog bowl, and I think this is a perfect example of that. I used to work for the City of Boulder a long time ago, so and Boulder uses this example a lot. The city does a pretty good job in providing for the lower income folks and if you're affluent, you really don't have a problem in Boulder. You can find a place, you can build a place. It is that sort of missing middle that's really a problem and really problematic. So, there is something right now, in Colorado called the Middle Income Housing Authority or MEHA, that's trying to consider this missing middle or this sort of dog dish, empty portion, whatever, where the food goes. And that's a perfect example of a really creative approach to stuff. They're pretty new, and I think they're still trying to figure out what the secret sauce is.

**Travis:** That does make you want to jump ahead a little bit to ask about. You know, we recently in Colorado passed Proposition 123 the last few years, which is dedicated funding for affordable housing in the state. Denver's Mayor Mike Johnson has championed input on the ballot for November sales tax to fund more affordable housing specifically for Denver. So. You know, what's the future look like for the area with all this new money coming in? Is it enough?

**Andy:** Well, I'm not sure. And so, I'm not sure because ballot measure 2R doesn't really lay out where the money goes and how it goes out. So, if you ask any provider out there, they're advocates for it. And I don't know anyone who isn't in favor of it in the housing community. But I'm not sure how it's implemented. And so I think its how the rubber meets the road in implementation. And so, the way it eventually is put, if it passes, the way it's eventually put into practice will really say whether it helps or not. I will say this, the State of Colorado has used a tremendous number of resources, financial resources towards homelessness in the last several years. Many communities, Denver included, have also done that. So Travis, do you live in Denver?

**Travis:** I do. I live in Capitol Hill.

**Andy:** OK, so you're living in the epicenter of this question? What are encampments like between now and maybe two years ago?

**Travis:** I think that's an interesting question. My experience has been that throughout the entire city, it's definitely gone down. Yeah, in my neighborhood, it really hasn't changed at all.

**Andy:** It's interesting. I think in general, there have been a tremendous number of resources put into finding a place that people can go to at night. And have an alternative to being in an encampment and that it hasn't happened in your neighborhood, I think it's unfortunate because I think in general it's really been helping. There's an effort called a navigation campus and think about like, if you're a homeless person and you're trying to get resources and resources looks like a lot of different things. It looks like hygiene, help with the job, maybe help with substance stuff, maybe getting a driver's license, maybe getting your Social Security card, maybe you getting your birth certificate or food, you know, you name it. Like there's a lot of stuff and if you don't have good transportation, you know, you can spend months tracking that stuff down. Navigation Campus tries to centralize all that stuff. In addition, it can provide housing. In Denver, there's several very large hotels that have been purchased by the city in order to accomplish that. There was litigation on the city of grants pass, Oregon who essentially criminalized homelessness and said “You cannot be on the streets at night”. At the same time, they didn't have any place for folks to go. So they made it a criminal offense to be on the streets without any alternative. It's called the city of Grants Pass versus someone. I can't remember this one. That went to the Supreme Court and it was upheld in the Supreme Court. Meaning that in theory, a city could say if you're homeless, that's a criminal offense, we could either jail you or move you out. Denver has not done that. I think, and this is only my opinion, but I think Denver has been really thoughtful, about Let's find resources. Let's buy a really big hotel and try and centralize services. We're going to end the encampments to the extent we can, and let's find a place to put people where they could actually have a safe roof over their head and get all these services as well.

**Travis:** I wanted to ask a question occurs to me earlier. How does affordable housing fit into the conversation about gentrification and displacement?

**Andy:** I think that's a really interesting question. If you don't mind, could I go through sort of a couple of reasons why things are expensive right now? This is in no particular order. In 2008 and 2009, you might remember we had a financial crisis and like the financial sector had a great meltdown. Financial sector being banks and so if you were a property developer and you were trying to build a property, build a multifamily apartment building or refinance your existing multifamily apartment building whose loan was due. You had a very big problem and so building permits went way down during the financial crisis, which led to a really for a long time a deficit of units being built. That's turned around in the last couple of years, whether or not it's turned around enough to the extent that it made-up for that deficit from those years, I'm not quite sure. And, let me say this list of things I'm going to give you, you can't point a finger and say, aha, this is 100% of the issue. But together these are a big deal. All those separately, they just are contributors to the issue. Do you know what the Federal Reserve is?

**Travis:** I have a fair idea if you want to tell us more about that. How does the Federal Reserve point to this?

**Andy:** So the Federal Reserve through something called the Federal Open Markets Committee meets every six weeks and they really dictate short term interest rates within the country. And so if the interest rate goes up, that has two effects on affordability. I mean it has a lot of effects because your credit card interest rate goes up and you know, bunch of other sort of knock on effects. In terms of affordable housing or housing even in general, really there to the first is if you're a multifamily developer, be it a forprofit or nonprofit or a Housing Authority, the cost to build your building goes way up because the loan that you get to build your building goes way up. The second is if you're a homeowner, many homeowners during the height of the pandemic, the height of the lockdown, we're able to refinance their mortgages sometimes for 2 or 3%. Interest rates since then have gone way up. So, if you could even refinance their house now it's at 6 or 7%. If I have a home and I'm thinking about moving, you know, to wherever and selling my home, chances are my new housing cost is going to be much higher than it is now. So, people aren't moving. They're almost locked into the mortgage rate that they have now. So fewer homes are available. The demand keeps going up. So sort of classic economics, the supply goes down, fewer homes available, demand keeps going up, so prices keep going up. That's on the sort of for sales side. We've had this pandemic thing and so, you know, we've had supply chain issues globally. You manufacture a refrigerator in wherever that might be. That place has a shut down because of the pandemic and lockdown and so that refrigerator is that much delayed. This is a really weird example too, but you remember a couple of years ago there was a tanker that got stuck in the Suez Canal. Let's say you're building an apartment building and you're 50 refrigerators for a month, they're stuck in this tanker that's stuck in Suez Canal or in a tanker that has to go past that tanker and is stuck there or has to go all the way around the Horn of Africa. It's crazy example. And yet incrementally it's driven up costs of second home ownership. So there are people, you know, sort of around Denver, certainly around the mountains, there are second homeowners who are and you know, there's nothing wrong with that. There's nothing illegal, but if you're, you know, a homeowner in California and you own a place in Silverthorne, that place is no longer available to the local community. That drives up prices. Remote work during the pandemic has had the same dynamic people from Silicon Valley can remote work in Silverthorne again, or you know, Pagosa Springs or wherever, driving up cost because they're used to paying Bay Area prices. I'll just spend another $20,000 on my place here in the beautiful mountains. That's driving up costs. Um, construction defects, it's really arcane thing, but essentially in condominium building if you are a developer, builder of an apartment called, pardon me, a condo. Someone can sue you for anything from like a cracked foundation, which is a big deal, to faulty cabinetry. Where might you know? Cabinets don't hang, right? That's not such a big deal, and yet there can be lawsuits from anywhere in that range.

**Travis:** And those don’t apply to single family homes the same way?

**Andy:** No. Well, I mean, in theory, single family condos if there was such a thing, but mostly like high rise buildings.

**Travis:** That's like a Colorado law, right?

**Andy:** It is, yeah. And so there have been efforts to really around something called right to repair that says alright so I'm the builder in this case. I have a right to repair that before you sue me. Or you could sue me, but I have a right to repair that instead of this long drawn out thing. I'm not arguing against homeowner protections, but I'm saying that's part of the issue that's led to, in this case, condominium development slowdowns. The last certainly is gentrification. If you have a property wherever in the city and it's been home to folks that are lower income, that home sells and then, you know, you have a mini mansion that goes up or whatever. That has lifted the real estate prices as well.

**Travis:** Where somebody'd torn down an older home and replaced it with not something that's going to house more families. It's going to have the same amount of families. Yeah, but it's just a lot more expensive. Exactly. That's driving up costs.

**Travis:** Building affordable housing is that solution to the displacement caused by gentrification and maybe all these other costs, is that going to help keep people in neighborhoods that would otherwise have to leave?

**Andy:** Yeah, well. I mean, certainly that's the goal. I think the underlying answer is can you build enough? No one knows what enough is. I think the number of folks that are in need of housing, just in Denver, just the number of people paying more than what's considered affordable, is a huge number. So, can you build your way out of it? You can certainly try. I'm not sure. That whether building market rate staff, building capital A affordable stuff, will ever get there. I don't think that means you don't try. I think that means that you serve as many people as you possibly can and you know you continue to build a social safety network around the folks that you can serve. You provide better housing for them. You provide better services ultimately for the people you are serving. You work on financial, sustainability and stability as well. I think there are a lot of holistic answers.

**Travis:** How much do you think changing the rules to what's allowed to be built makes a difference for maybe either affordable housing or market rate housing? Because if you go back to that example where you have someone who's gentrifying a neighborhood by destroying an old house and rebuilding a fancier house, that's not housing anymore families. Then a lot of Denver, I know it's about 70% of the land, that's the only thing you're legally allowed to do by right. You can do that by right and you have to get the permits and everything, but you don't have to go through any sort of other special exception process. Whereas we could, you know, theoretically you could change the rules so that same person could go in and build something that's going to have a greater total value of like a building with four units, 6 units, 8 units, whatever. But it's just not allowed. So how much? Would shifting towards that make a difference in this?

**Andy:** I'm going to think like an economist for a minute, or I think I am. I live within the College of Business, I am not an Economist. So someone down the hall may say, oh, that's totally wrong, everything you're saying right now. But, I think you know, if someone is a market rate builder and they're trying to maximize their profit, that is a logical conclusion for them. I think a different way to say that in answer to yours, is to maximize profit, is building a really big 6000 square foot wonderful bread box if that's one answer. Can we provide a different answer, which is let's allow zoning that allows a duplex, a fourplex, A sixplex or something like that, that will help. I really believe that will help.

**Travis:** These regulations like similar to that, maybe. Deregulating zoning is a way you could put it. That's one way of kind of opening up more housing options. You know, what are the other regulation issues that make it hard or challenging to build affordable housing and, you know, maybe going back to kind of that capital affordable housing?

**Andy:** Well, Nimbyism is a great example of that.

**Travis:** So and what is Nimbyism?

**Andy:** NIMBY is not in my backyard. Let's call it neighborhood opposition. I think part of that is really on the builder, well really maybe all of that is the builders responsibility. Whether it's for profit or nonprofit or whoever to make sure that they have public process within the neighborhood. You know, you mentioned use by right. I think it's a bad mistake to say buy right, I can build something and I'm going to build it and I'm not going to let the neighbors have any input into that. I think being open with the public about what you plan to build and having a lot of conversation about, you know, does this work in the neighborhood? How can we provide mitigations for whatever effects that might be. I think that provides sort of a lot of answers to Nimbyism. I know in the areas that I’ve worked in people who have a much more robust public process. I've always had a successful project, and I've seen stuff go really wrong when there hasn't been.

**Travis:** Have you ever worked on, or maybe can you give us an example of when you, you were working on affordable housing project or you were just Chantilly working with an affordable housing project and it was killed or almost killed by neighborhood opposition?

**Andy:** This was like 2010-2011 within the city of Boulder. There was a project done and the project developers said. Exactly that it's used by, right. I'll make a very cursory sort of outreach. There was a public process, like a public commentary process at what used to be the Armory in north Boulder. I was scared to death. I was a city official. I was not involved with the project directly. I was helping to fund it at the time with city funds. But I was scared. Like people were passed and there could have been pitchforks and torches. The public process did not happen. People were really angry about that result. So the project did go forward, but it had a great delay and had a great delay so that really they could start over again and say, look, folks, this is what we're doing and let’s have a dialogue about this.

**Travis:** Do you have any idea why, you know, that happens so much in Denver still? I think like this, there's a lot of, like, angry opposition to really any change. Maybe it's just human nature, but, you know, we're in such an affordable housing crisis right now. You know, I certainly think so. Why is there even to a project that's like subsidized affordable housing? It seems like there's often neighborhood resentment against like, why is that? Do you have any ideas?

**Andy:** Yeah, I think you got it. I think it's human nature. People are reticent of change or hesitant about change. You know, again, like the definition of affordable housing. I think if you ask 50 people what their hesitation or fear about a project is you'll get 50 different answers and again I think the only way that you can address that issue is to be really open about what your project is and talk to everyone in the neighborhood who wants to listen to you or who wants to make a comment about it.

**Travis:** Gotcha. Are there other specific regulations that you think really get in the way of, you know, subsidized affordable housing that we haven't talked about yet?

**Andy:** Can I reverse that answer? So let's talk about some of the tools that I think would be healthier. So again, this is no particular order, and some people are doing this already and so this isn't pointing to sort of deficit anywhere. If you build a 30-unit project or whatever and you put a deed restriction on it and 30 years later, that 30-year initial restriction goes away, that project is at risk of becoming market rate. Saving that project is called housing preservation, and it's really tough to preserve housing. There needs to be a lot of preservation tools around there and finance and all sorts of available financing tools. So, people are working on that. There's something called the Colorado Housing and Finance Authority that's downtown near Coors Field. They're working on stuff, City of Denver is working on stuff, but that stuff needs to be much more robust. So that's one thing. You mentioned the ballot initiative, which is 2R in the City of Denver. The local housing trust funds are another very significant tool. If you go through the State of Colorado, you're competing with other people for state money and you're dealing with state regulations for good or bad. It's not that those regulations are bad or they're good, but they're someone else's regulations. If you have local funds available like 2R or like Denver has. Denver has other locally controlled funds as well. Those give you local autonomy to make the housing decisions that you want. Some communities within the state have that, some do not. And really, it's sort of also the political will to do those. The political necessity that people see behind doing those, but if you're trying to address affordable housing, those locally available funds are really crucial. Having responsive financing, especially if you have those local funds. So again, if you, if I go to a funder and say I need, whatever, $100,000, $1,000,000 and that funding can be available within a week. That's incredible. And that allows me the opportunity to go out and compete to buy an apartment building that might be at risk or whatever the example is. If I go to that same entity and say I need a billion dollars and they say great you're approved, but it's going to take us six months to cut you a check, that's no longer responsive capital. So having, especially at the municipal level, trust funds or some locally responsive capital that can be quick and quickly deployed, is going to be really key to being able to make it on this issue. They're creative financing things too. Like I use an example from the city of Aurora. They went through a process to say, let's look at every piece of land the city owns. Do we need that? Can I have that? And so, they gave, I'm not sure what city it was but pardon me, what city department it was, but they dedicated to their housing folks a plot of land. That plot will be used for affordable housing. Take away the land cost, that greatly increases affordability as well. Then lastly, I don't know if this is intuitive or not, but knowledge is power. I think it's wonderful and I'm proud to be part of the effort too, that MSU is doing an affordable housing program that targets undergrads. DU is targeting executive level affordable housing right now in a course and UCD is also doing graduate level work on affordable housing. So all of a sudden there's this a ground swell of academic sort of knowledge building and upskilling workers. So that's really cool to, because, trying to provide a workforce that really understands this stuff and can think holistically about it, I think is really crucial to starting to whittle away at the problem too.

**Travis:** Yeah, a little bit off point. And I do want to ask a more local question too. It's a good transition. MSU Denver has said that their work on building student housing and general workforce housing, workforce affordable housing here on campus in the next few years with the ball field at Auraria development. My question really is how can organizations like Auraria campus be community partners in building more affordable housing for them?

**Andy:** Yeah, well, you know, I'm hanging my head in shame because I don't know enough about that project. And, you know, I've been here about two months. As time goes on, I will know more about that project, but I think sort of using the city of Aurora's example, you know if you are a university called MSU Denver, call it UCD. where ever it is and you have land that you can dedicate to this, I think it has a bunch of effects. First of all, like in Aurora, it removes the land cost. It removes a big chunk of how much you have to finance in order to build something. The less you have got to finance, the more affordable you can be. So that's simple math. The other thing is MSU Denver has, like if for any university, do you have a construction management program, can you provide a pathway for students to help work on that project, gain practical experience? If we were further along in the MSU Denver's Affordable housing Institute programs, would we have folks that could help property manage that property eventually or on the front end, could help work on the finance and development. That contributes so that the academic community is coming together. From multiple angles. I think it's awesome. I think that really helps this problem too.

**Travis:** Yeah, kind of related to that, I think the conversation on campus is also a little bit about densification of our downtown. The ball field Auraria development is supposed to happen on an empty baseball field, what used to be a baseball field, now it's just an empty lot. It's not even a parking lot. So, I think that makes a lot of sense. So much of our campus land is just parking lots. You know, we also have our neighbors, the Kroenke development. They're supposed to be, in the future at some point, housing development happening around Ball Arena, which is all just parking lots right now. How much does densification matter in affordable housing?

**Andy:** If you have a piece of land that you can put 2 units on, versus putting 10 on it or whatever the numbers are. It's simple economy of scale, because you have to deploy, you know, you've got to finance it. You've got the transaction costs associated with the project. And you've got to deploy a general contractor. It’s not cheap or easy to do a project. And the more units you can get on a given piece of land, the better. Similarly, there's something called transit-oriented development. Which is really sort of a key piece of people's puzzles right now. So typically, in the past, you have to provide high parking ratios for cars at a residential project. So how do you do that? You either go horizontally and provide surface parking all the way around and you take a lot of land. You go underground and that's deep and expensive infrastructure, where you add a couple of extra levels to your project, which is also expensive. If you can reduce parking because you've increased density and now you're on a bus line, bus rapid transit line or a light rail line. That is perfect synergy as well. So you know, densification is, as far as practice goes, really a state-of-the-art practice. As far as community goes, it's still a conversation.

**Travis:** Thank you very much. Pretty much my last question, unless it leads us anywhere else is what didn't I ask about that's important as it relates to housing, or as it relates to solutions to our current housing crisis?

**Andy:** I'm going to put in an ad, a brief commercial announcer for the Affordable Housing intro class, which is really the introduction to this program, the affordable housing program. it's available and it fits well with the social work curriculum. It fits well with really any sort of career path that we can talk about, and I'm available to talk about it, with anyone who's interested. That will be in the spring schedule as Real Estate REL 290A. I'm just putting a plug in for that. I think your questions have been great. I'm not sure I have any other magic answers for you. But you know, I'm really grateful for the opportunity to have been able to talk to you about this.

**Travis:** I'm grateful to you. Thank you so much.

**Travis:** So, Andy has told us about affordable housing as a solution to high housing costs in Denver.

**Travis:** Next episode, we'll hear from an advocate at the organization Gimby Denver about how zoning and building regulations affect housing costs and housing availability. I hope you'll listen.