REPORT

POSITIONING DENVER FOR SHARED AND INCLUSIVE PROSPERITY

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creative class group

EXECUTIVE SUMMARY

Few cities have experienced the scale of the economic transformation that has occurred in and around downtown Denver. Its urban comeback and transformation have been nothing short of remarkable. People, business, and investment have streamed back into the city, and Denver has become a leading center of the urban innovation economy.

But with Denver's urban transformation has come a *new urban crisis* of its very success. This is far different than the old urban crisis of decline and dysfunction: this crisis is manifest in increasing challenges of gentrification, housing unaffordability, and economic division.

In contrast to cities like San Francisco, Seattle, New York, or Boston, where these problems have come on much faster (or where they have been ignored), Denver has already begun to create a policy agenda for a broader and more-inclusive prosperity in which all residents and all neighborhoods can participate.

Urban Resurgence

Denver has reversed a half-century of stagnation and decline and seen powerful economic rebirth:

- **Accelerated Job Growth.** Denver's workforce grew by more than 20 percent between 2012 and 2017—the fourth-highest rate among the nation's 50 largest cities.
- **Rising Income.** Denver's median household income also grew by 20 percent from 2012 to 2017—the eighth-best growth rate among America's 50 largest cities.
- **Millennial Talent.** Denver's millennial population grew by almost 40 percent, nearly four times faster than its overall population growth, from 2012 to 2017.
- **Large and Growing Creative Class.** Denver's creative class grew by more than 30 percent—the fourth-highest growth rate among the nation's 50 largest cities.
- **Booming Startup Hub.** Denver's high-tech startup economy is booming: the metro's venture capital investment totaled more than $850 million in 2017.

Crisis of Success

With Denver's remarkable urban resurgence has come a new set of challenges—a new kind of urban crisis wrought by the city's very success.

- **New Urban Crisis.** Denver ranks 21st on the New Urban Crisis Index, a composite measure of inequality, economic segregation, and housing unaffordability. Its New Urban Crisis is not nearly as severe as those of leading cities like New York, Los Angeles, or San Francisco ... *yet.* But the time to combat it is now, before it gets any worse.
- **Rising Inequality.** Like many successful cities, Denver has a rising level of inequality: the city has the 20th-highest level of income inequality among the nation's 50 largest cities.
- **Economic Segregation.** Among the nation's big cities, Denver ranks 13th—about the same as Boston—in economic segregation.
- **Housing Unaffordability.** By early 2018, metro Denver home values had risen more than 60 percent above their pre-recession peak, the third-highest growth rate in the country, behind only metro Dallas and Houston.
- **Rising Rents.** Denver's median monthly rent was just under $1,300 a month as of 2017, ranking 11th among the nation's 50 largest cities.
- **Class Divide.** Denver's creative-class homeowners (techies, knowledge workers, and professionals) have more than $43,000 left over after paying for their housing, compared to just $12,000 left over for the city's low-skilled service-class workers.

A Strategy for Inclusive Prosperity

Mayor Hancock, city government and civic actors, and stakeholders have identified inclusive prosperity as the next big step in Denver's evolution and are undertaking active steps to address it. These efforts fall into six key pillars that can be expanded and extended to ensure a more broadly shared and inclusive prosperity.

Develop Affordable Housing

- **Increased Affordable Housing Funds.** In September 2016, Denver's city council created the city's first-ever dedicated local funding source for affordable housing, paid for with property taxes and a citywide linkage fee on new development. Last April, Mayor Hancock and the city council doubled the city's affordable housing fund from $15 million per year to $30 million. The new funds enable the city to more than double its five-year affordable housing goals, which are now projected to create or preserve 6,400 units of affordable housing.
- **Neighborhood Equity and Stabilization Team.** The Neighborhood Equity and Stabilization Team (NEST) provides targeted resources to prevent involuntary displacement and ensure that existing residents and businesses benefit from new investments flowing into gentrifying neighborhoods.
- **Property Tax Abatement Program.** The city expanded its property tax rebate program in January 2019 to cover families with incomes that are 40 percent below the city's median income.
- **Goals to Reduce Cost-Burdened Households.** Denver's 2040 Comprehensive Plan, adopted in April 2019, aims to reduce the share of families with housing cost burdens from 44 percent to 35 percent by 2040.
- **Zoning to Encourage Affordable Housing.** Current Colorado law prevents Denver from requiring affordable housing (often called inclusionary housing or inclusionary zoning) for new rental multi-unit development. Given this barrier, the city phased out its inclusionary housing ordinance (IHO) and instead adopted an affordable housing linkage fee on new development in 2016, which requires new residential and commercial developments to provide funds for affordable housing. Denver has explored incentives for affordable housing, where additional building height is provided in exchange for income-restricted units in key redevelopment areas near transit, and plans to expand this approach to other transit-rich areas in the city.

Connect All Neighborhoods to Prosperity

- **Funds to Revitalize Disadvantaged Neighborhoods.** Inclusive prosperity also means providing more direct, concerted assistance to disadvantaged neighborhoods. In 2019, Denver awarded $9 million in grants to 36 competitive projects related to housing and neighborhood revitalization.
- **Ordinance 302:** In 2018, Denver voters passed Ordinance 302, a sales tax increase that will provide $100 million over the next 10 years for more nutritious food options for children in low-income families.
- **Transit Equity Initiatives.** The Regional Transportation District's 40 percent fare discount for households earning below 185 percent of the poverty line is a trendsetting transportation equity initiative. Denver's B Cycle bikeshare system recently launched the 5280 program, which provided 5,280 Denver residents with unlimited bikeshare passes. The Denver Moves Transit Plan begins to address the long-range vision and funding for even bolder transportation improvements, but much work remains to be done to bring these goals to fruition.

Promote a More-Inclusive Knowledge Economy

- **Career Pathways.** Denver's career pathway programs work to match employer needs with ready and willing employees. It provides specialized skills training programs, including all-important computer skills, and funds for vocational training and other educational programs.
- **WORKNOW.** Colorado Resource Partners' innovative job training program, WORKNOW, helps connect residents to good jobs and assists with other essential needs like childcare and transportation.
- **Entrepreneurial Support Programs.** Since opening in 2015, The Commons on Champa, an entrepreneurship hub in Downtown Denver, has served 40,000 community members. The organization, made possible by a public-private partnership with the city, seeks to empower a diverse community of entrepreneurs by

providing nine-week accelerator programs for women entrepreneurs and special advisory services for small businesses. Denver must continue to fund and support programs like this one.

Turn Low-Wage Service Jobs into Good, Family-Supporting Jobs

- **Increased Minimum Wage.** The city has taken an important step in this direction with its new policy to increase the minimum wage of city employees and city contracted employees to $15 an hour by 2021. Businesses should follow the city's lead.
- **Upgraded Service Jobs.** The city should help identify and organize leading-edge service companies that pay service workers better and create networks to disseminate best practices and scale these efforts.

Activate and Engage Anchor Institutions

- **Engaged and Involved Anchor Institutions.** Denver has a substantial cluster of higher-education institutions—Metropolitan University of Denver, Community College of Denver, and University of Colorado, which together are home to roughly 50,000 students—in the Auraria neighborhood, adjacent to downtown. Denver University and a wide array of nonprofits and foundations throughout the city round out a large network of anchor institutions. This is a huge source of talent for the city's rapidly expanding urban innovation economy and should be leveraged to help more Denver residents access opportunity.
- **An Anchor Pledge.** Denver can benefit from an anchor pledge among the city's leading anchor institutions to work together on inclusive innovation and growth.

Foster and Deepen Regional Collaboration

- **Embrace Regionalism.** Addressing Denver's new urban crisis of success will take a broad regional effort. The new urban crisis does not stop at the city's borders. Regional collaboration is a must in Denver because its economy extends from the city into the suburbs and beyond.
- **A Regional Organization to Guide Inclusive Prosperity.** While the metro area has successful regional groups like Metro Denver Economic Development Corporation and Denver Regional Council of Governments, there is a need to embrace a broader, more ambitious mandate. Suburban municipalities, anchor institutions, major area corporations, and area residents should all be more involved in generating inclusive prosperity. Other metros have created regionally based strategy and thought-leadership bodies to guide regional development and address pressing housing, transportation, and workforce issues, in collaboration with large coalitions of stakeholders. Examples include New York City's Regional Plan Association and SPUR in the San Francisco Bay Area.

The challenges Denver faces as a result of the new urban crisis will not resolve themselves. Without intentional and persistent action on behalf of the city's and region's key business, academic, political, civic, labor, and neighborhood-based stakeholders, the crisis will only deepen and intensify. The time for action is now.

INTRODUCTION

Denver has reached an inflection point. Just a few short decades ago, businesses and people were abandoning the city for the suburbs. Downtown and the neighborhoods adjacent to it were on the downswing and hollowing out. Denver was not unique in this by any means. Cities across America experienced economic decline, and many lapsed into an urban crisis of disinvestment, dysfunction, mounting crime, and fiscal stress.

But all of that began to change, and change dramatically, around the turn of the new millennium. Since then, talented people and business investment have begun flowing back to the city. While this back-to-the-city-movement has happened in many of America's leading cities, Denver has become an epicenter for it. Few cities have experienced the scale of economic transformation that has occurred in and around downtown Denver. Since 2003, and under the current leadership of Mayor Michael B. Hancock, the city has been revitalized and reborn as a magnet for high-tech industry and jobs, leading-edge startup companies, highly educated talent, millennials and young people, and the creative class of knowledge workers, techies, artists, and designers.

Yet Denver's remarkable urban rebirth has brought with it a host of new challenges. Neighborhoods in and around the urban core have experienced accelerated gentrification, housing has become more expensive and less-affordable, and the divides between the advantaged and less-advantaged have grown larger. All this has given rise to a new urban crisis born of the city's very success.[1] Here again, Denver is not unique. This new urban crisis has been even more severe in larger superstar cities, like New York and Los Angeles, and in leading tech hubs like San Francisco, Boston, and Seattle. In fact, Denver's new urban challenges have been shaped by the extremity of the new urban crisis facing these more established cities, as business and talent from these places have flowed to Denver for the cost advantages and quality of life it offers.

Denver has now reached a tipping point where it must proactively address the challenges posed by its new urban crisis. The good news is that Denver's new urban crisis is not nearly as bad as those faced by cities like San Francisco, New York, Los Angeles, and Seattle. Denver remains considerably more-affordable, considerably less-gentrified, and considerably less-divided than those places. But the warning signals are clearly on the horizon. Left unaddressed, Denver's new urban crisis will only worsen. Now is the time for the city to take concerted action to address the challenges wrought by the new urban crisis and to channel its remarkable growth to more-inclusive and shared prosperity.

Under the leadership of Mayor Michael Hancock, the city is taking significant steps to address its new urban crisis. These include new initiatives to build more affordable housing, raise the minimum wage, connect disadvantaged people and neighborhoods to economic opportunity, improve the public realm, and much more. Indeed, Denver is already doing more on these issues than many of its peer cities. But a crisis of this magnitude requires a full-court press effort of the city's and region's key leaders and institutions: the business community, economic and community development agencies, neighborhood groups, foundations and philanthropic organizations, labor factions, and the universities, medical centers, and other organizations that form the region's core anchor institutions. These are the groups that powered the city's remarkable economic turnaround, and they are now needed to steer its economy toward more-inclusive and equitable growth. Even though the city faces steep challenges, its remarkable economic turnaround has set in place the basic economic fundamentals required to address them. Achieving more-inclusive prosperity is the necessary next step in the city's development and evolution.

This report lays out a strategy for more-broadly shared and inclusive prosperity in Denver. We begin by diagnosing the scale and scope of the current problem, taking a deep dive into Denver's economic turnaround—and the challenges that have come with it—by reviewing detailed trend data on the city's impressive growth in jobs, population, talent, millennials, startups, tech companies, and corporate headquarters. We then turn to a similar data-based assessment of the challenges of gentrification, housing unaffordability, inequality, class division, and concentrated poverty that have either flowed from Denver's economic boom or been impervious to it. We draw from principle city data for Denver proper, not the surrounding metro area, in order to provide a comparison with the 50 largest U.S. cities. (The appendix to this report provides detail on our data sources and methodology.)

Having laid out the detailed evidence on both the city's remarkable economic turnaround and the challenges brought on by its urban revitalization and growth, we outline a strategy for building on current efforts to make Denver a model for achieving more-inclusive and shared prosperity.

DENVER'S URBAN TURNAROUND

Denver's economic growth and urban turnaround have been nothing short of remarkable. In the past decade-and-a-half, the city has reversed a half-century of stagnation and decline and seen powerful economic rebirth.

The story of Denver's recent economic boom begins with job growth. Over the past five years, Denver's workforce grew by more than 20 percent. That is the fourth-highest rate among all 50 of the nation's largest cities. And it is similar to the cities that rank second and third. There is only one city in the country, Miami, that has grown jobs at a significantly higher rate than Denver.

Table 1: Employment Growth

Rank	City	Workforce Growth, 2012-2017
1	Miami	24.1%
2	Atlanta	21.6%
3	Fort Worth	21.5%
4	**Denver**	**20.3%**
5	Mesa	20.3%
6	Austin	20.2%
7	Raleigh	19.6%
8	Charlotte	19.5%
9	Oakland	19.5%
10	Nashville	19.2%

Source: *U.S. Census American Community Survey 2012-2017*
Note: This chart represents growth in the employed population, 16 years of age and older
Rank among 50 largest U.S. cities

Denver has also seen striking growth in income. Income, even more so than jobs, is a mark of a city's level of economic performance. Denver experienced more than 20 percent growth in median household income over the five years spanning 2012-2017. That is eighth-best growth rate among the 50 largest cities and similar to tech hubs Boston and Austin. Denver's median household income of more than $65,000 puts it at 11th among the nation's 50 biggest cities.

Table 2: Median Household Income

Rank	City	Growth in Median Household Income, 2012-2017	Median Household Income, 2017
1	San Francisco	42.2%	$110,816
2	Oakland	37.2%	$70,577
3	Miami	33.5%	$40,320
4	Seattle	26.1%	$86,822
5	Nashville	24.6%	$57,537
6	San Jose	22.4%	$104,675
7	Boston	21.1%	$66,758
8	**Denver**	**21.0%**	**$65,224**
9	Austin	21.0%	$67,755
10	Los Angeles	20.5%	$60,197

Source: *U.S. Census American Community Survey 2012-2017*
Note: Rank among 50 largest U.S. cities

The city's population has expanded at a rapid pace, too. Between 2012 and 2017, Denver's population grew by more than 11 percent, the fifth-highest among the nation's 50 largest cities. And here again, Denver's population growth rate was similar to the second-, third-, and fourth-ranked cities. Only one city, Seattle, had an appreciably higher rate of population growth.

Table 3: Population Growth

Rank	City	Population Growth, 2012-2017
1	Seattle	14.2%
2	Austin	12.8%
3	Fort Worth	12.0%
4	Miami	12.0%
5	**Denver**	**11.1%**
6	Charlotte	10.8%
7	Omaha	10.8%
8	Mesa	9.8%
9	Washington, D.C.	9.7%
10	Raleigh	9.7%

Source: U.S. Census American Community Survey 2012-2017
Note: Rank among 50 largest U.S. cities

The city's millennial population has grown even faster. In the five-year period from 2012 to 2017, Denver's millennial population grew by almost 40 percent, nearly four times faster than its overall population growth. Denver ranks third in millennial population growth, behind only San Francisco and Seattle. Millennials make up almost 30 percent of Denver's population, again ranking it among the top 10 of the nation's 50 largest cities.

Table 4: Millennial Population Growth

Rank	City	Millennial Growth, 2012-2017
1	San Francisco	42.6%
2	Seattle	40.3%
3	**Denver**	**38.9%**
4	Portland	34.3%
5	Miami	29.9%
6	Austin	25.5%
7	Oakland	25.0%
8	Dallas	24.8%
9	Washington, D.C.	24.1%
10	Fort Worth	23.3%

Source: U.S. Census American Community Survey 2012-2017
Note: Rank among 50 largest U.S. cities

Denver has done well on a critical dimension of talent: its ability to attract college graduates. A large body of research documents that college grads are a key factor in highly skilled talent and a key driver of economic growth.[2] The city had the fifth-highest growth rate of college grads (adults with a bachelor's degree or higher) over the past five years, at nearly 30 percent. Only one city, Miami, had a substantially higher rate of growth in college-educated talent.

Table 5: Growth in College Graduates

Rank	City	Growth in College Graduates, 2012-2017
1	Miami	46.3%
2	Austin	35.1%
3	Fort Worth	32.5%
4	Las Vegas	28.4%
5	**Denver**	**28.2%**
6	Charlotte	27.6%
7	Boston	27.4%
8	Mesa	26.0%
9	Nashville	25.2%
10	Seattle	25.1%

Source: U.S. Census American Community Survey 2012-2017
Note: Rank among 50 largest U.S. cities

Much the same is true of the creative class, another key category of talent and another major driver of economic growth. The creative class comprises more than 40 million workers nationally, roughly a third of the entire U.S. workforce, who work in fields like science and technology, the professions, and arts, design, media, and culture.[3] Between 2012 and 2017, Denver's creative class grew by more than 30 percent, the fourth-highest growth rate among the nation's 50 largest cities. And again, only one city, Miami, had a significantly higher growth rate of its creative class.

Table 6: Growth of the Creative Class

Rank	City	Creative Class Growth, 2012-2017
1	Miami	40.0%
2	Fort Worth	35.3%
3	Mesa	34.5%
4	**Denver**	**32.3%**
5	Austin	32.1%
6	Charlotte	31.9%
7	Las Vegas	30.1%
8	San Jose	28.3%
9	Atlanta	27.5%
10	Seattle	26.8%

Source: U.S. Census American Community Survey 2012-2017
Note: Rank among 50 largest U.S. cities

Denver also has a large concentration of creative class residents. This is important because the concentration of a city's creative class is a key determinant of its ability to innovate, attract, and build high-tech industry and compete economically.[4] While the creative class makes up about a third of the workforce nationwide, Denver's creative class makes up more than 45 percent of its workforce. That rate is similar to those of major tech hubs like Austin and Boston and significantly behind only three large cities: Washington, D.C., Seattle, and San Francisco.

Table 7: Creative Class Share of Workforce

Rank	City	Creative Class Share of Workforce, 2017
1	Washington, D.C.	61.1%
2	Seattle	58.8%
3	San Francisco	54.8%
4	Atlanta	50.7%
5	Minneapolis	48.1%
6	Austin	48.0%
7	Boston	47.4%
8	Portland	45.9%
9	**Denver**	**45.6%**
10	San Diego	45.3%

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

Denver has seen very rapid growth in key clusters of tech, knowledge, and creative class jobs. Employment in computer and math occupations grew by more than 50 percent between 2012 and 2017, management occupations grew by better than 45 percent, architecture and engineering jobs grew by nearly 40 percent, healthcare jobs grew by 35 percent, business and financial jobs grew by 25 percent, and arts, design, and media jobs and science jobs grew by 30 percent. This is important because three key job types—science and tech jobs; business, finance, and management jobs; and arts, design, and media jobs—are what ultimately drives innovation and economic growth.[5]

Table 8: Key Knowledge, Professional, and Creative Occupations

Occupation	Growth, 2012-2017
Computer and Math	54.3%
Management	47.3%
Architecture and Engineering	39.3%
Healthcare Practitioners	35.4%
Arts, Media, and Design	30.4%
Science	30.0%
Business and Financial	26.6%
Education and Training	3.7%
Legal	1.8%

Source: U.S. Census American Community Survey 2012-2017
Note: Rank among 50 largest U.S. cities

Denver's high-tech startup economy has also boomed. The number of venture capital-backed startup deals in the Denver metro (including the city and its suburbs) nearly tripled, rising from 54 in 2005 to158 by 2017. The amount of venture capital investment also grew substantially, expanding from $360 million in 2005 to $860 million in 2017. Today, Denver ranks as the nation's 13th-largest tech hub in terms venture capital investment and 12th-largest by number of startup deals, similar to Philadelphia, Dallas, and international cities like Toronto and Shanghai.[6]

Denver's stunning growth as a tech hub was validated when it was chosen as one of 20 finalists for Amazon's second headquarters, or HQ2. And though the city lost out to greater Washington, D.C. and New York City (where Amazon ultimately pulled out in the face of local opposition), Denver has experienced tremendous growth in its number of corporate headquarters. Between 1975 and 2017, the Denver metro added eight new Fortune 500 corporate headquarters, growing its number of large company headquarters from two to 10. Seattle is the only other big city to see similar growth.[7] Today, Denver has the 14th-highest concentration of corporate headquarters in the nation, tied with Seattle and Detroit.

A CRISIS OF SUCCESS

But such remarkable growth has brought with it a new set of challenges. No longer is Denver and its urban center facing economic decay and disinvestment. Instead, the challenges of Denver's new urban crisis are a product of its economic success and urban comeback. Its recent growth has created huge competition for a limited amount of housing and, along with it, generated new fault lines of inequality. Denver's new urban crisis is not yet as bad as that of San Francisco, New York, or Los Angeles, but it is cause for concern and a call for action. In fact, the city's recent rapid growth has brought it to an inflection point where things can tip rapidly at any moment.

Denver has the 20th-highest level of income inequality of the nation's 50 largest cities, based on the Gini Coefficient, which is the standard measure of economic inequality. The Gini coefficient represents the distribution of incomes along a spectrum. A wider distribution, represented by a number closer to one, describes greater inequality; a lower distribution, closer to zero, means less inequality. According to this measure, the city's economic inequality is considerably worse than the U.S. as a whole and roughly in line with that of Brazil and Nigeria.[8] Denver ranks 21st on the New Urban Crisis Index, a composite measure of inequality, economic segregation, and housing unaffordability—again, far better than New York, Los Angeles, and San Francisco, but still cause for concern.

Table 9: Income Inequality

Rank	City	Income Inequality (Gini Coefficient), 2017
1	Atlanta	.578
2	New Orleans	.562
3	Philadelphia	.558
4	Miami	.553
5	New York City	.550
6	Boston	.543
7	Houston	.536
8	Dallas	.533
9	Washington, D.C.	.528
10	Chicago	.520
20	**Denver**	**.490**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

Table 10: The New Urban Crisis Index

Rank	City	New Urban Crisis Index, 2017
1	Washington, D.C.	100.0
2	Atlanta	96.7
3	Los Angeles	91.6
4	New York City	89.6
5	New Orleans	86.5
6	Miami	84.0
7	Oakland	82.8
8	Houston	75.9
9	Chicago	75.7
10	Dallas	75.2
21	**Denver**	**48.4**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

Economic segregation, which measures the degree to which people are separated and segmented from one other based on income, education, or occupational class, is another dimension of the new urban crisis. Among the nation's big cities, Denver ranks 13th in economic segregation, about the same as Boston. Economic segregation and economic inequality tend to be related, and the combination of high inequality and high economic segregation means vulnerable residents will face even steeper barriers to economic mobility.[9]

Table 11: Economic Segregation

Rank	City	Economic Segregation Index, 2017
1	Washington, D.C.	100.0
2	Atlanta	94.5
3	Dallas	91.0
4	Houston	83.6
5	Oakland	82.8
6	Austin	80.2
7	Chicago	80.0
8	Los Angeles	78.4
9	San Diego	75.6
10	Boston	71.8
13	**Denver**	**70.7**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

Housing unaffordability is another key indicator of the new urban crisis. Denver's recent surge in jobs and influx of people has put considerable pressure on its housing market. This has especially been the case in and around downtown Denver, where more and more tech companies and jobs are located and where amenities attract the affluent and the educated.

Table 12: Housing Prices

Rank	City	Median Housing Value, 2017
1	San Francisco	$1,104,100
2	San Jose	$854,700
3	Oakland	$686,700
4	Seattle	$673,100
5	Los Angeles	$647,000
6	New York City	$609,500
7	Washington, D.C.	$607,200
8	San Diego	$600,300
9	Long Beach	$557,700
10	Boston	$540,600
12	**Denver**	**$395,100**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

Denver's 2017 median home value (according to the most recent available U.S. Census data) was just under $400,000 ($395,100), making it the 12th-most expensive of America's 50 largest cities. That's a bit less than Boston and on par with Portland, Austin, and Miami but far less than less Washington, D.C., New York, Los Angeles, and Seattle and less than half of San Francisco's and San Jose's median home values.

By early 2018, metro Denver home values had risen 62 percent above their pre-recession peak, the third-highest growth rate in the country, behind only metro Dallas and Houston.[10] Denver's median home value climbed to $420,000 by spring 2019, according to Zillow, putting the city once again in the same league as Portland, Austin, and Sacramento, but still far behind San Jose, San Francisco, Seattle, and San Diego.[11]

Still, Denver homeowners do not face the kinds of affordability crises seen in the nation's most expensive cities, at least not yet. More than a quarter (28.7 percent) of Denver's homeowners are cost-burdened, spending more than 30 percent of their incomes on housing. This is similar to Seattle, Phoenix, and Washington, D.C. In fact, Denver ranks 28th among the nation's 50 largest cities in terms of the housing cost burden faced by its homeowners.

Table 13: Cost-Burdened Homeowners

Rank	City	Share of Homeowners, 2017
1	Los Angeles	46.7%
2	Miami	45.2%
3	Long Beach	43.5%
4	New Orleans	43.3%
5	New York City	42.9%
6	Detroit	39.1%
7	Oakland	38.1%
8	San Diego	37.1%
9	San Francisco	36.6%
10	San Jose	35.4%
28	**Denver**	**28.7%**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

Furthermore, Denver's homeowners in aggregate generally have a considerable amount of money left over after paying for their housing, which we calculate by subtracting the median annual cost of owner-occupied housing from the city's median annual earnings for all workers. We use this measure of money left over after housing because it allows for comparisons across occupational class categories. As we shall see in subsequent sections, despite generally having a good deal of income after housing costs, Denver homeowners show wide variation on this metric when segmented by occupational class.

The city's homeowners have $22,698 left over after paying for housing. On this score, Denver ranks fifth in the country. In only one city, Washington D.C., are homeowners significantly better off after paying for their housing.

Table 14: Money Homeowners Have Left Over After Paying for Housing

Rank	City	Money Left Over After Housing, 2017
1	Washington, D.C.	$31,068
2	Seattle	$25,908
3	Raleigh	$23,313
4	Charlotte	$22,927
5	**Denver**	**$22,698**
6	San Francisco	$20,940
7	Baltimore	$20,809
8	Kansas City	$20,750
9	Louisville	$20,529
10	Philadelphia	$20,197

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

Denver's renters have it tougher than its homeowners. As of 2017, Denver's median monthly rent was just under $1,300 a month, ranking 11th among the nation's 50 largest cities—only slightly lower than New York's but quite a bit less than that of San Francisco or San Jose. That's a 33 percent increase from median rents in 2013, which stood at $962, according to the American Community Survey. Nearly half (46.8 percent) of Denver renter households are housing cost burdened, spending more than 30 percent of their income on rent. Denver actually ranks quite low (41st) among big cities on this metric, similar to Dallas, Austin, and Columbus.

Table 15: Median Monthly Rents

Rank	City	Median Monthly Gross Rent, 2017
1	San Jose	$2,109
2	San Francisco	$1,836
3	San Diego	$1,642
4	Seattle	$1,555
5	Boston	$1,541
6	Washington, D.C.	$1,499
7	Los Angeles	$1,397
8	Oakland	$1,394
9	New York	$1,379
10	Virginia Beach	$1,321
11	**Denver**	**$1,286**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

Still, the city's renters have more money left over after paying for housing than do renters in most other metros. Denver renters end up with slightly more than $28,000 left over after housing costs, again ranking fifth among the nation's 50 largest cities. Only renters in three leading tech hubs—Washington, D.C., San Francisco, and Seattle—have appreciably more money left over after paying for their housing.

Table 16: Money Renters Have Left Over after Paying for Housing

Rank	City	Money Left Over After Housing, 2017
1	Washington, D.C.	$42,264
2	San Francisco	$40,356
3	Seattle	$37,416
4	Atlanta	$28,672
5	**Denver**	**$28,074**
6	Raleigh	$27,333
7	Austin	$26,863
8	Chicago	$26,718
9	Charlotte	$26,191
10	Minneapolis	$26,079

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

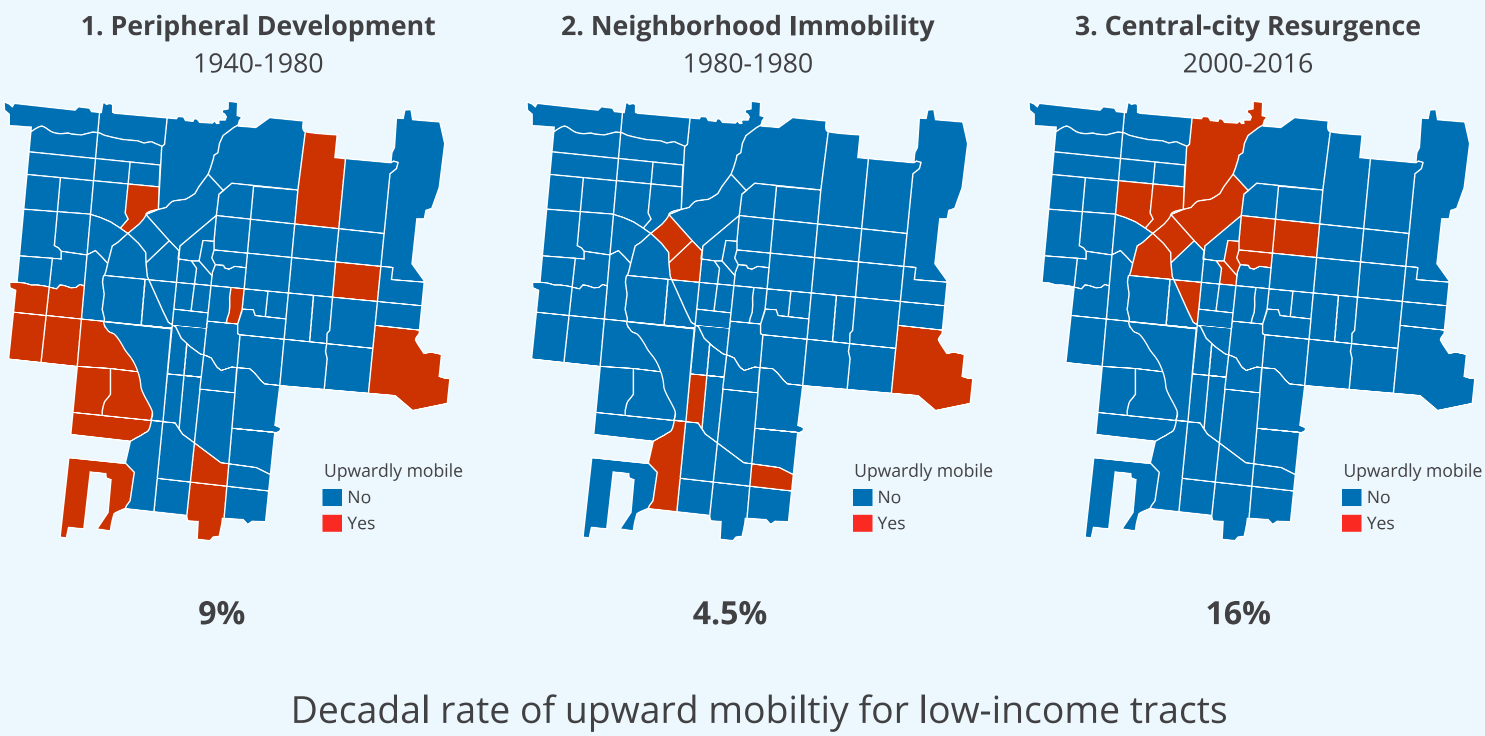
Just as Denver's urban transformation has benefitted some classes more than others, its gains have been concentrated in certain parts of the city. Most of the conversation about Denver's urban transformation revolves around gentrification. Involuntary displacement resulting from gentrification is indeed an important ongoing issue, as we will see. But the even larger and more challenging issue is the persistence of concentrated poverty, manifest in the splitting of the city into concentrated pockets of advantage and much larger areas of concentrated disadvantage. This is part and parcel of the nation's broader urban turnaround and new urban crisis, which has given rise to the winner-takes-all urbanism of have and have-not places between, as well as within, cities.[12]

Gentrification is a consequence of the remarkable back-to-the-city movement that has happened in many of America's leading cities since the early 2000s. Over the past two decades or so, young, affluent, educated, and very often white people have flowed back to the urban center in cities across America. Between 1990 and 2014, more than 50 percent of the nation's 100 largest cities saw population growth in neighborhoods close to their urban core. This represented a major reversal of the trend of inner city depopulation and white flight: between 1970 and 1980, only six of those cities experienced population growth in and around the urban core.[13] The people most likely to move into these neighborhoods between 2000 and 2014, according to data from economist Jed Kolko, were the richest 10 percent of households. Meanwhile, the poorest 10 percent of households were most likely to move out of big cities over that same period.[14] Another study found that the proportion of affluent, highly educated, white households living in downtowns increased in about two-thirds of American metros.[15]

While gentrification has historically concentrated in either older industrial areas or in white, working-class neighborhoods, the past decade or so has seen gentrification spread to poor, minority, and largely African-American neighborhoods, according to a recent *New York Times* analysis. Since 2000, roughly one in six predominantly African-American neighborhoods, or census tracts, has seen an influx of more-affluent white residents. Indeed, the new white residents coming into these neighborhoods earned an average of twice as much as existing residents and two-thirds more than existing homeowners. Across the country, 161 metros had at least one predominantly minority neighborhood that saw a significant inflow of more-affluent whites.[16]

Denver's transformation has been bound up with these broader trends. Figure 1 charts the changing geography of upward mobility in Denver from 1940 to 2016.[17] In the first period, running from 1940 to 1980, nearly all of the neighborhoods experiencing at least a one-quartile jump in median income (shown in red on the map) were at the edge of the city or in the suburbs. This was the era of mass suburbanization, when inner city neighborhoods were stagnant or declining. The second period, spanning 1980-2000, was a time of relative stasis or immobility, when only a few areas saw any real growth at all. The third and most-recent period, from 2000 to 2016, is the era of urban rebirth. During this period, neighborhoods experiencing upward mobility are highly concentrated in and around the urban center.

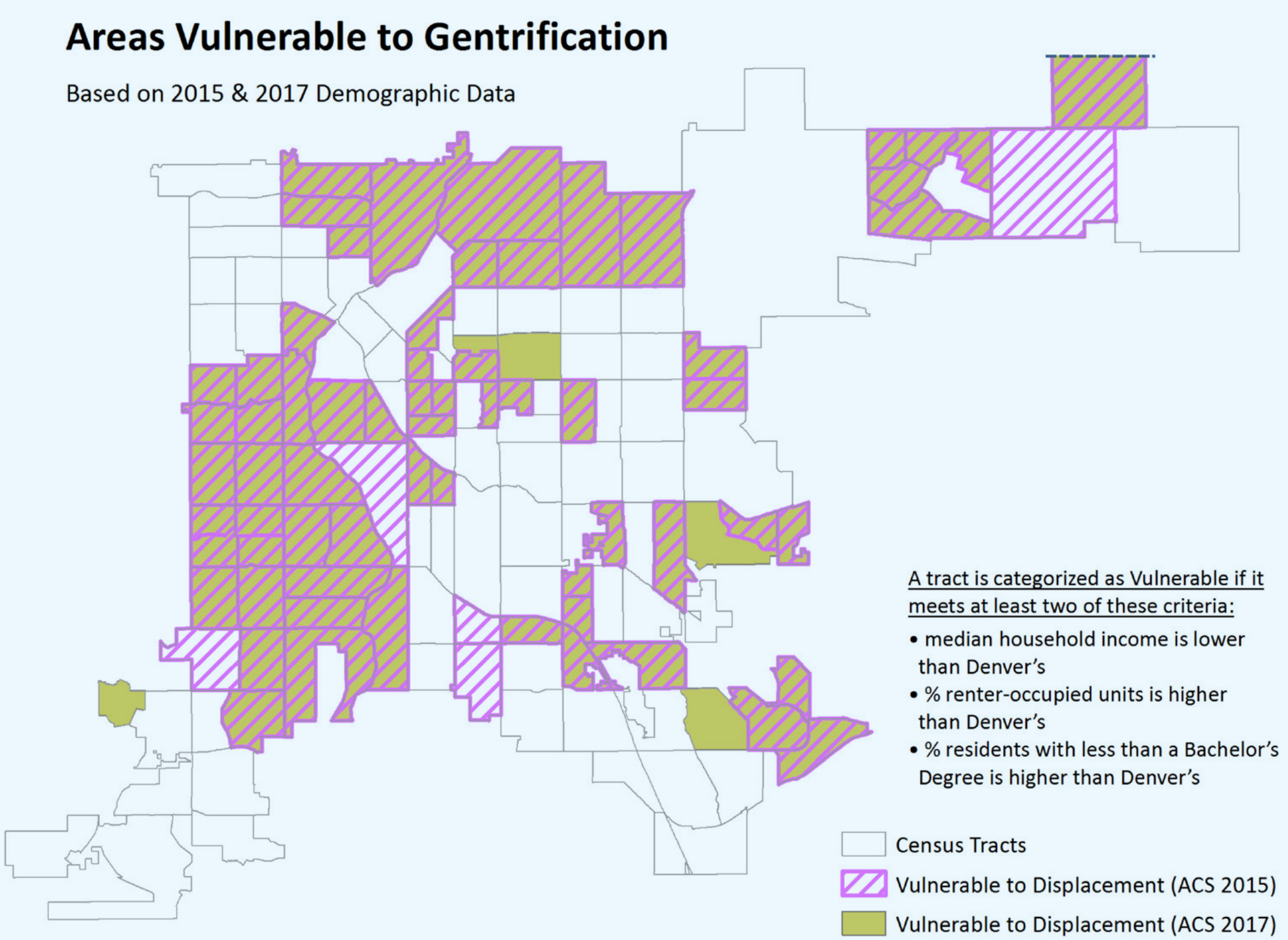
Figure 1: Neighborhoods Experiencing Upward Mobility, 1940-2016



A recent study by Denver Economic Development and Opportunity (DEDO) identifies the neighborhoods or census tracts that are most vulnerable to gentrification and involuntary displacement.[18] (Census tracts are defined as vulnerable to gentrification if they are below the overall city's value on two of the following three key metrics: median household income, percent of households that are renter-occupied, and/or percent of residents with less than a bachelor's degree.)

Figure 2, from the DEDO report, shows neighborhoods vulnerable to gentrification and involuntary displacement heavily concentrated to the west of the South Platte River and to the north of the urban core. Between 2015 and 2017, there came about some change in terms of which neighborhoods were vulnerable to displacement. Neighborhoods like Baker and University are no longer considered vulnerable to displacement, according to this analysis. But neighborhoods that were not considered vulnerable to displacement in 2015, like City Park West and Windsor, are considered vulnerable according to 2017 data. Generally speaking, the map reveals large swaths of Denver that continue to be at risk of gentrification and displacement.

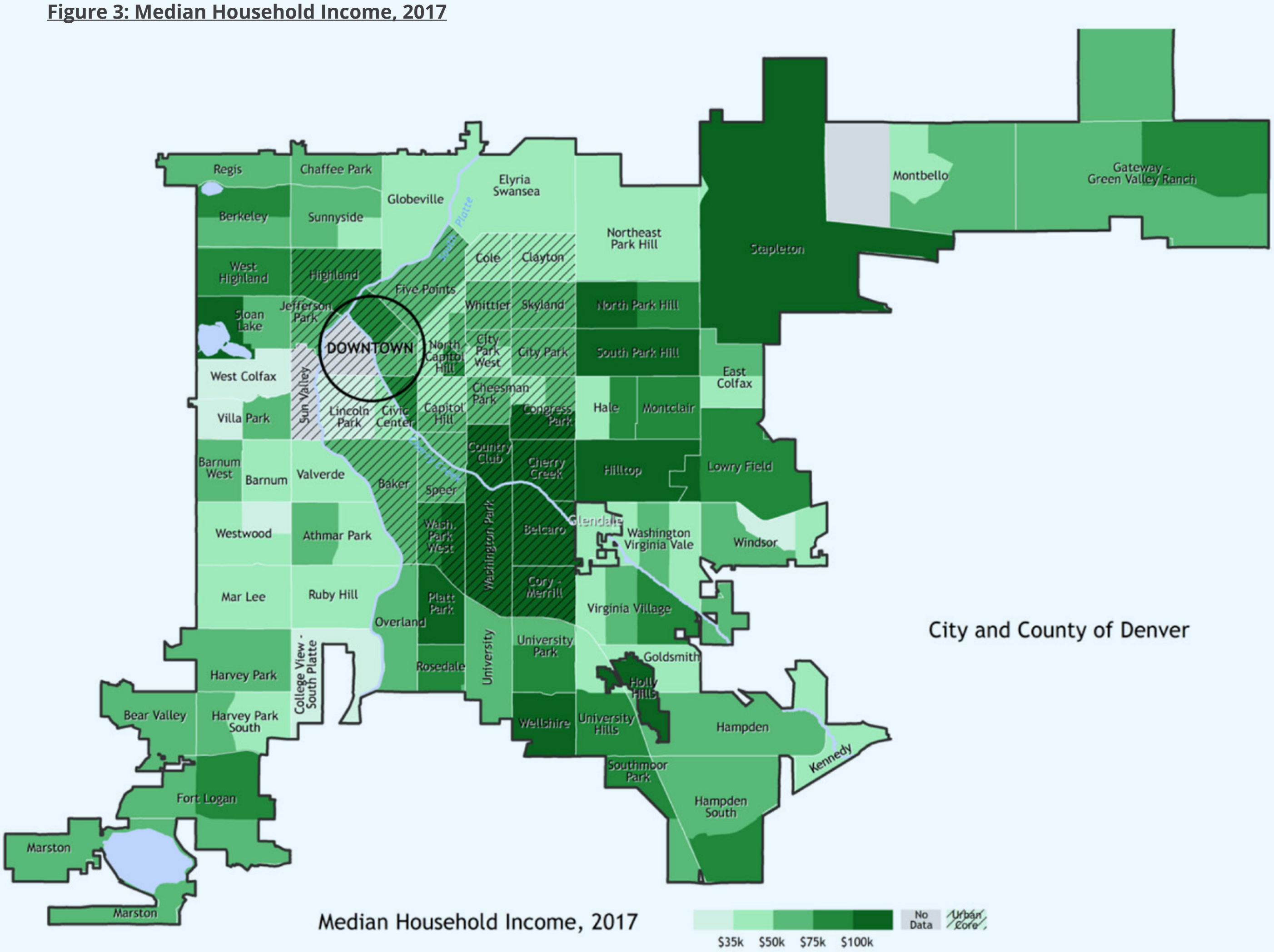
Figure 2: Areas Vulnerable to Gentrification



We now turn to our own maps of Denver's urban divides, based on our analysis of tract-level census data. On each of the maps below, we use a circle to identify the downtown commercial district and use hatching to identify the urban core that surrounds it. We define the urban core qualitatively, based on proximity to the central business district and conversations with local stakeholders. We also highlight the South Platte River, which data indicate is a key line of division for many socio-economic factors.

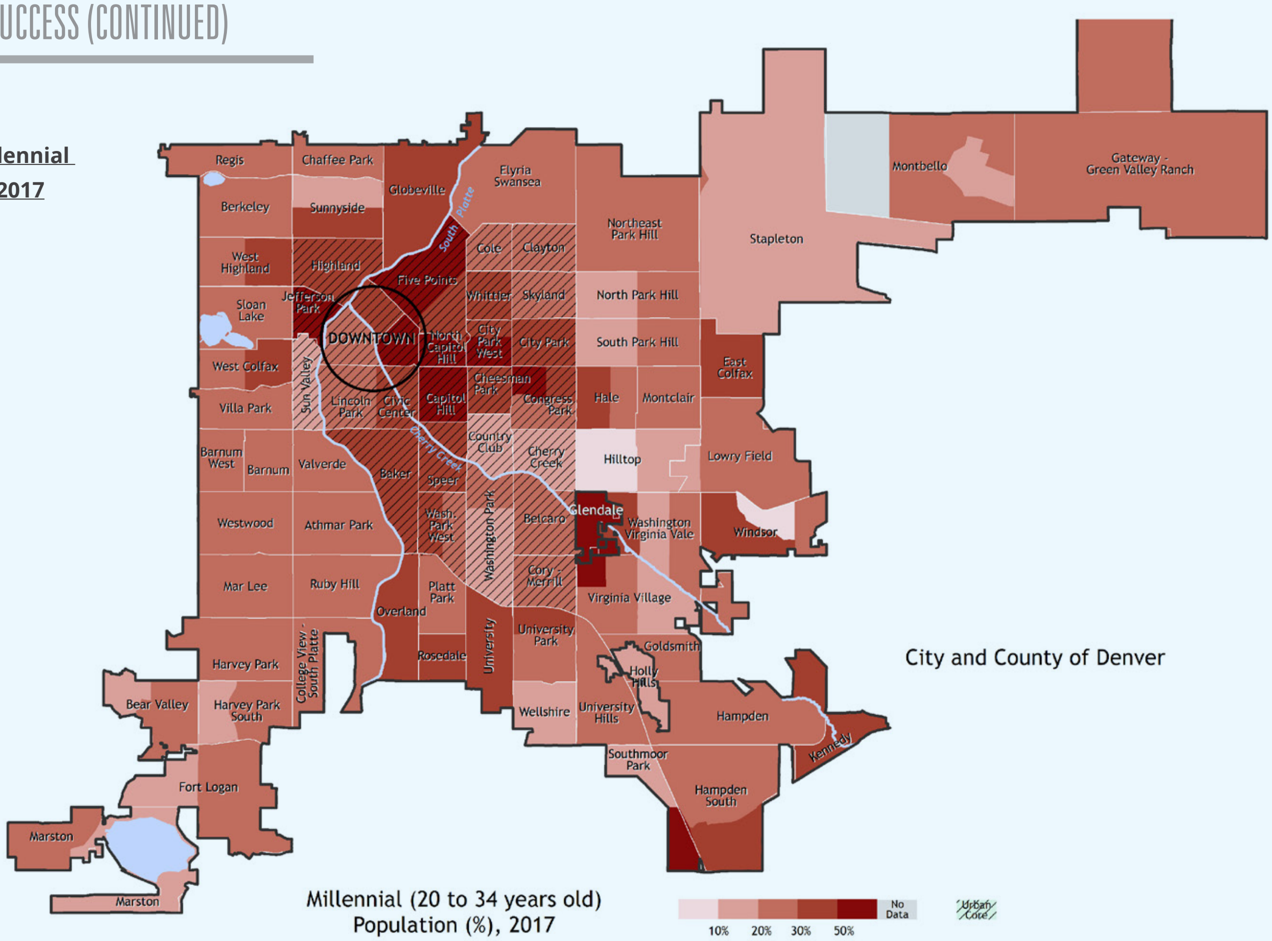
Figure 3 shows the income divides across Denver's neighborhoods. Dark green indicates higher-income areas and light green identifies low-income neighborhoods. The urban core is a mix of dark and light green, showing the transformation that is in process as these neighborhoods grow wealthier and more prosperous. There are dark green areas—indicating higher-income neighborhoods—near the center of the city in neighborhoods like Highland, Union Station, and Civic Center. Many of the poorest neighborhoods in Denver are those that are relatively close to the urban core but still just outside its orbit, like West Colfax and Lincoln Park, where median household incomes are below $35,000. Traditionally affluent neighborhoods like Belcaro, Hilltop, and Stapleton—with household incomes above $100,000—show up in the darkest green. This map highlights the juxtaposition of areas of concentrated advantage and concentrated disadvantage: the veritable hallmark of the new urban crisis.

Figure 3: Median Household Income, 2017



Source: U.S. Census American Community Survey 2017

Figure 4: Millennial Population, 2017



Source: U.S. Census American Community Survey 2017

The city is experiencing not only gentrification but also "youthification," as millennials and young people pour back into cities for the job opportunities, amenities, and dating markets they offer.[19] Denver is an exemplar of this trend. Figure 4 shows the share of millennials living in neighborhoods across Denver. Note the high concentrations (in dark red) close to downtown and lower concentrations (in pink) in more peripheral neighborhoods. Millennials make up more than half of the population in neighborhoods like Jefferson Park, Five Points, and Capitol Hill. Note the relatively low proportion of millennials in wealthier, exclusive neighborhoods like Stapleton and Country Club, where housing prices are higher. That said, millennials make up more than 30 percent of the population in the majority of neighborhoods.

The geography of millennials in Denver is related to the striking geographic divides of the city's three major occupational classes that broadly define the contemporary economy: the highly paid creative class, the declining blue-collar working class, and the lower-paid service class. The creative class consists of primarily high-paid, highly educated workers in fields like the professions, management, technology, and media and cultural production. The service class primarily consists of poorly educated, low-paid workers in fields like food service, homecare, and retail. And the working class holds blue-collar occupations—like manufacturing, transportation, and the trades—that have historically offered a good living for the less-educated but now make up a rapidly declining sliver of the workforce due to automation and outsourcing.[20]

The city's creative-class workers earn nearly $65,000 per year, about 33 percent more than the $43,000 taken home by Denver's average worker. The city's working- and service-class workers take home far less. The average member of the blue-collar working class makes $34,000, roughly half as much as the city's creative-class workers. And the city's service-class workers take home just $32,000, which is less than half of what its creative-class workers make. The city's overall level of wage inequality—based on the wage differences among its three major classes—ranks 20th among the nation's 50 biggest cities.

Table 17: The Class Divide

Class	Number	Share	Change, 2012-2017	Rank Based on 5-Year Growth	Wages
Creative Class	183,480	45.6%	32.3%	4	$64,196
Service Class	156,214	38.8%	7.7%	19	$32,660
Working Class	62,110	15.4%	23.6%	16	$33,942

Source: U.S. Census American Community Survey 2017 *Note: Rank among 50 largest U.S. cities*

Denver's class divide comes into even sharper relief when we look at the amount of money each of its major occupational classes has left over after paying for their housing.

The city's creative-class homeowners have by far the most money left over after paying for housing ($43,388), nearly double the citywide average of $22,698. Denver ranks 13th in the amount of money its creative class has left over after paying for housing. In only three places—San Francisco, San Jose, and Washington, D.C.—does the creative class have significantly more left over after paying for housing. (Once again, this is citywide, not metro-wide, data based on median housing values and the median earnings of creative-class homeowners.)

Table 18: Money Creative-Class Homeowners Have Left Over After Paying for Housing

Rank	City	Money Left Over After Housing, 2017
1	San Francisco	$55,247
2	San Jose	$54,242
3	Washington, D.C.	$52,675
4	Charlotte	$48,035
5	Seattle	$47,982
6	Atlanta	$47,408
7	Houston	$46,198
8	Dallas	$46,144
9	Las Vegas	$45,313
10	Oakland	$44,167
13	**Denver**	**$43,388**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities
Cities with the lowest creative-class homeowner earnings after housing costs: Los Angeles ($30,591), Tucson ($30,763), Miami ($32,842), Milwaukee ($32,852), and Detroit ($33,485)

The members of the city's working class have a lot less left over after paying for housing, just a tad more than $13,000. On this score, the city does much worse, ranking 27th among the nation's biggest cities. The places that do better are mainly smaller cities like Wichita, Louisville, Kansas City, and Tulsa, where housing costs are significantly lower. Denver does, however, fare significantly better than expensive cities like Los Angeles, San Francisco, Oakland, and Washington, D.C.

Table 19: Money Working-Class Homeowners Have Left Over After Paying for Housing

Rank	City	Money Left Over After Housing, 2017
1	Wichita	$20,010
2	Louisville	$19,112
3	Baltimore	$17,446
4	Kansas City	$17,278
5	Indianapolis	$17,028
6	Fort Worth	$17,018
7	Arlington	$16,793
8	Tulsa	$16,618
9	Oklahoma City	$16,484
10	Detroit	$16,296
27	**Denver**	**$13,134**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities
Cities with the lowest working-class homeowner earnings after housing costs: Los Angeles (-$4,792), Oakland (-$1,479), San Francisco (-$163), San Jose ($257), and Washington, D.C. ($748)

The city's service-class homeowners have even less left over after paying for housing costs: $12,000, which is less than half of what creative-class homeowners take home. Still, Denver does better than virtually all expensive peers on this metric, ranking eighth among the nation's biggest cities. The places that do better are mainly smaller, less-expensive cities like Charlotte, Louisville, Indianapolis, and Kansas City.

Table 20: Money Service-Class Homeowners Have Left Over After Paying for Housing

Rank	City	Money Left Over After Housing, 2017
1	Charlotte	$13,490
2	Raleigh	$13,385
3	Louisville	$12,952
4	Indianapolis	$12,595
5	Columbus	$12,317
6	Nashville	$12,304
7	Kansas City	$12,034
8	**Denver**	**$11,852**
9	Las Vegas	$11,576
10	Philadelphia	$11,546

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities
Cities with the lowest service-class homeowner earnings after housing costs: Los Angeles (-$5,723), San Jose (-$4,962), Oakland (-$1,619), New York (-$1,204), and San Francisco (-$1,177)

Another element of affordability in Denver is the cost of transportation. Figure 5 shows, by neighborhood, the percent of household income spent on housing and transportation combined. Denver Public Works recently used the Center for Neighborhood Technology's Housing and Transportation Affordability Index to get a better understanding of the true affordability of place. The index sets a benchmark that combines housing and transportation costs at no more than 45 percent of household income. Based on this threshold, 32 percent of Denver neighborhoods are considered unaffordable. Likely due to higher housing costs, wealthier areas such as Belcaro, Hilltop and other outlying neighborhoods, are above the 45 percent threshold with housing and transportation costs combined. Roughly 41 percent of Denver neighborhoods, including many low-income neighborhoods west of the South Platte River, fall right under the 45 percent threshold, spending between 38 and 44 percent of their household income on combined housing and transportation costs.

Figure 5: Percentage of Income Spent on Housing and Transportation

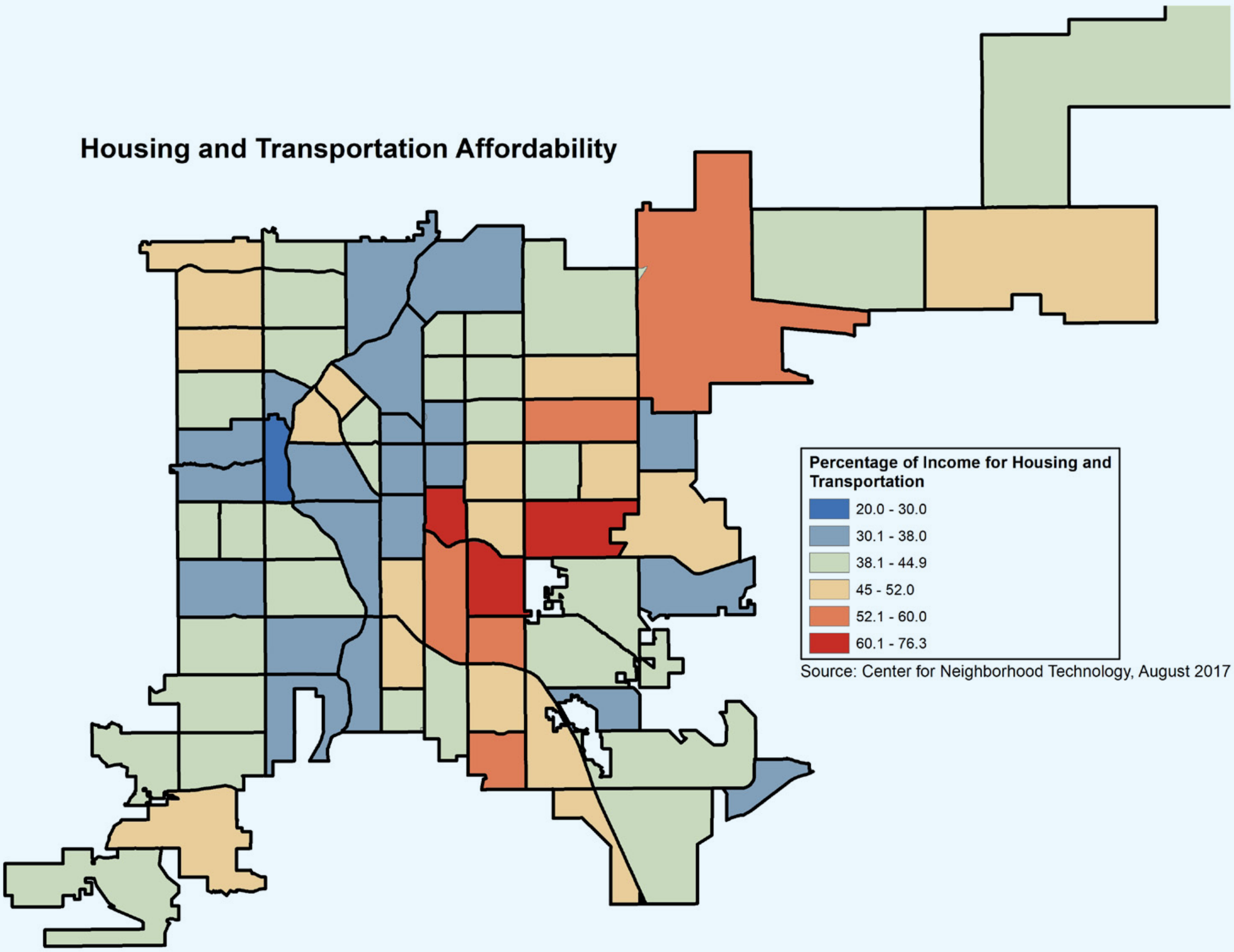


Figure 6 charts the city's class divide, delineating the neighborhoods where each major class makes up a plurality. Creative-class neighborhoods are purple, service-class neighborhoods are red, and working-class neighborhoods are blue. The darker the shading, the higher the proportion of the dominant class. The urban core is a veritable purple sea of the creative class across the Central Business District, Union Station, Civic Center, Five Points, North Capitol Hill, Capitol Hill, and more. The service class (in pink and red on the map) is pushed farther outward in several directions beyond these creative-class clusters, especially to the west of the South Platte River and I-25. There is only one working-class neighborhood: it's located near Montbello (in blue).

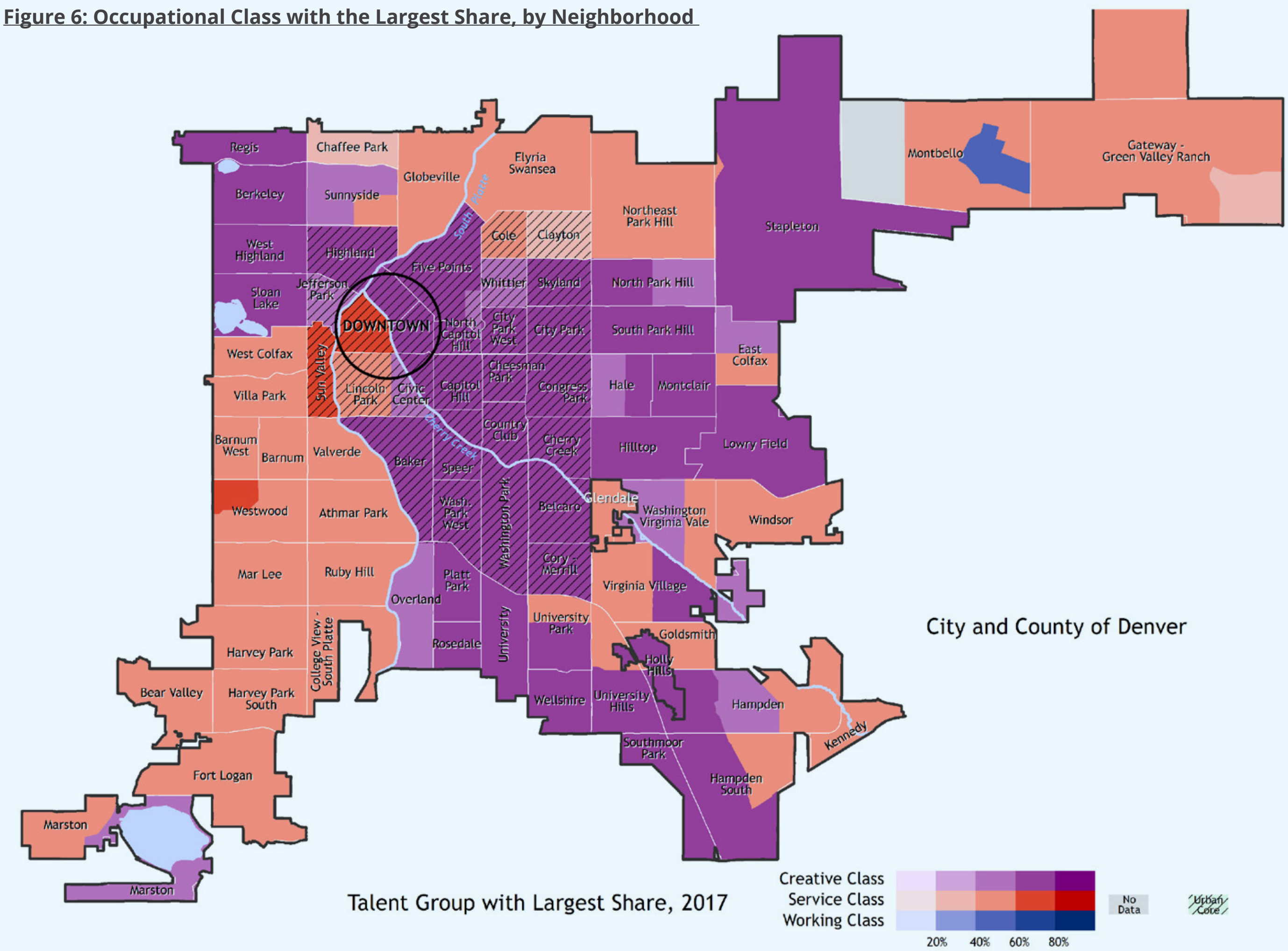
Denver's class divides are also reflected in education levels. Nearly half of all adults have a bachelor's degree or higher (the eighth-largest share among the nation's 50 largest cities), a fifth have an associate degree or some college, nearly one-fifth have a high school diploma, and just slightly more than 10 percent did not complete high school.

Table 21: The Educational Divide

Educational Attainment	Share of Adults	Change 2012-2017
Graduate Degree	19.2%	31.8%
Bachelor's Degree	30.1%	26.0%
Associate Degree or Some College	21.7%	7.3%
High School Diploma	17.4%	12.7%
No High School Diploma	11.6%	-4.6%

Source: U.S. Census American Community Survey 2017

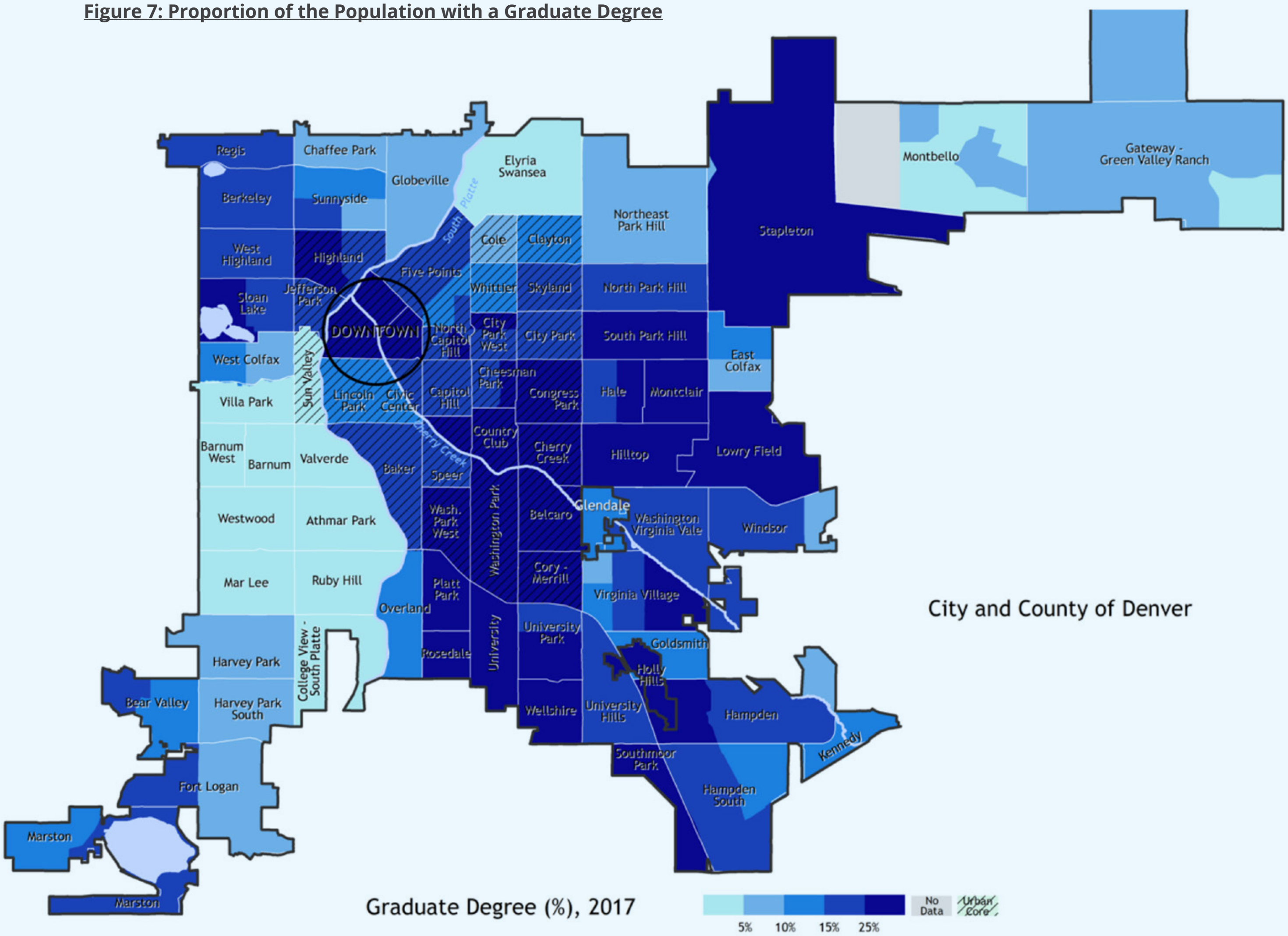
Figure 6: Occupational Class with the Largest Share, by Neighborhood



Source: U.S. Census American Community Survey 2017

The following maps chart Denver's educational divide. Figure 7 maps the location of Denver residents with a graduate degree (with greater percentages indicated in darker shades of blue). The urban core is a mix of dark blue and medium blue, with particularly high levels of adults with graduate or professional degrees in and around the Central Business District, Union Station, and Auraria. The areas with the smallest concentration of such highly educated adults are concentrated to the west of the South Platte River, as well as in other more peripheral neighborhoods like Elyria Swansea and Montbello.

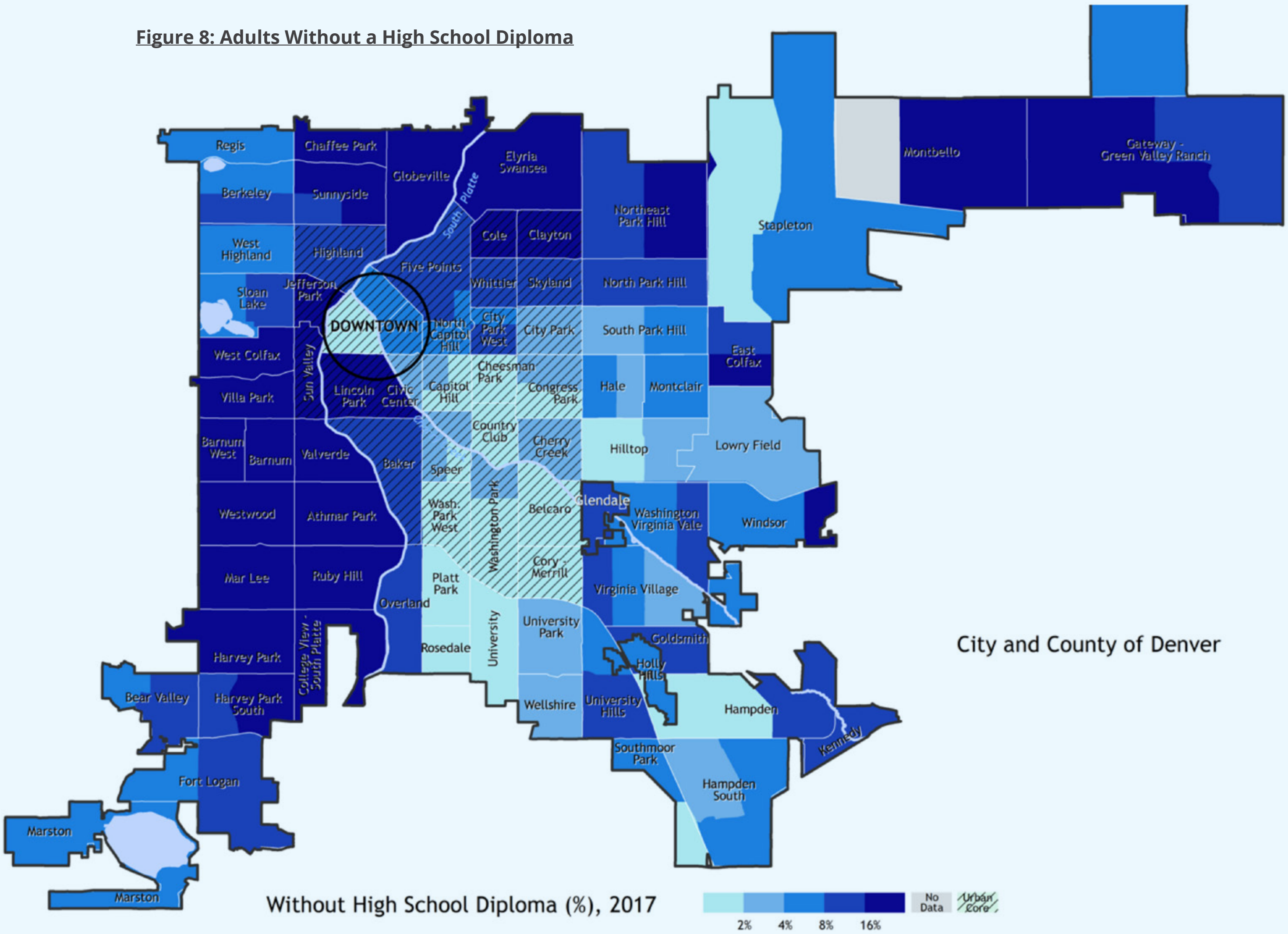
Figure 7: Proportion of the Population with a Graduate Degree



Source: U.S. Census American Community Survey 2017

The city's educational divide can also be seen in Figure 8, the map of its residents who did not finish high school. This map is almost a complete inversion of the map of highly educated people. Areas in and around downtown have small concentrations of residents who did not finish high school (in light blue on the map). Here, once again, the South Platte River serves as a dividing line, with neighborhoods across the river having much higher concentrations of adults who did not complete high school.

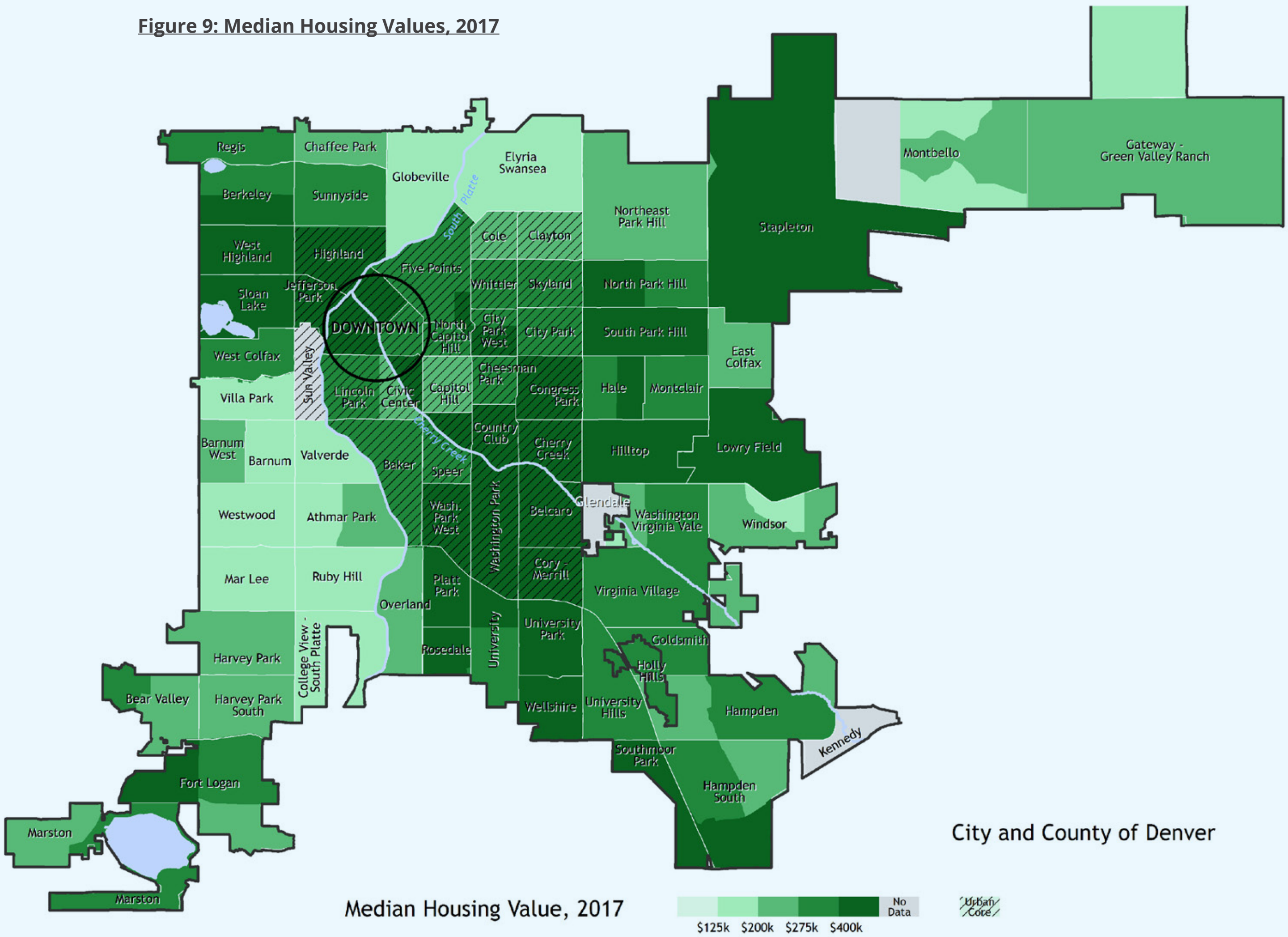
Figure 8: Adults Without a High School Diploma



Source: [U.S. Census American Community Survey 2017]

These divides by class and education are also reflected in—and, in fact, they are largely responsible for—similar divides in housing. Figure 9 shows the variation in owner-occupied housing values across Denver neighborhoods. Darker green indicates the presence of more-expensive homes. The downtown area and broader urban core have high home values, especially in and around Union Station, Civic Center, Auraria, and the Central Business District. The most-expensive neighborhoods are concentrated in the affluent parts of the city stretching south and east from downtown, like Lowry Field, Country Club, and Stapleton, the newly redeveloped former airport.

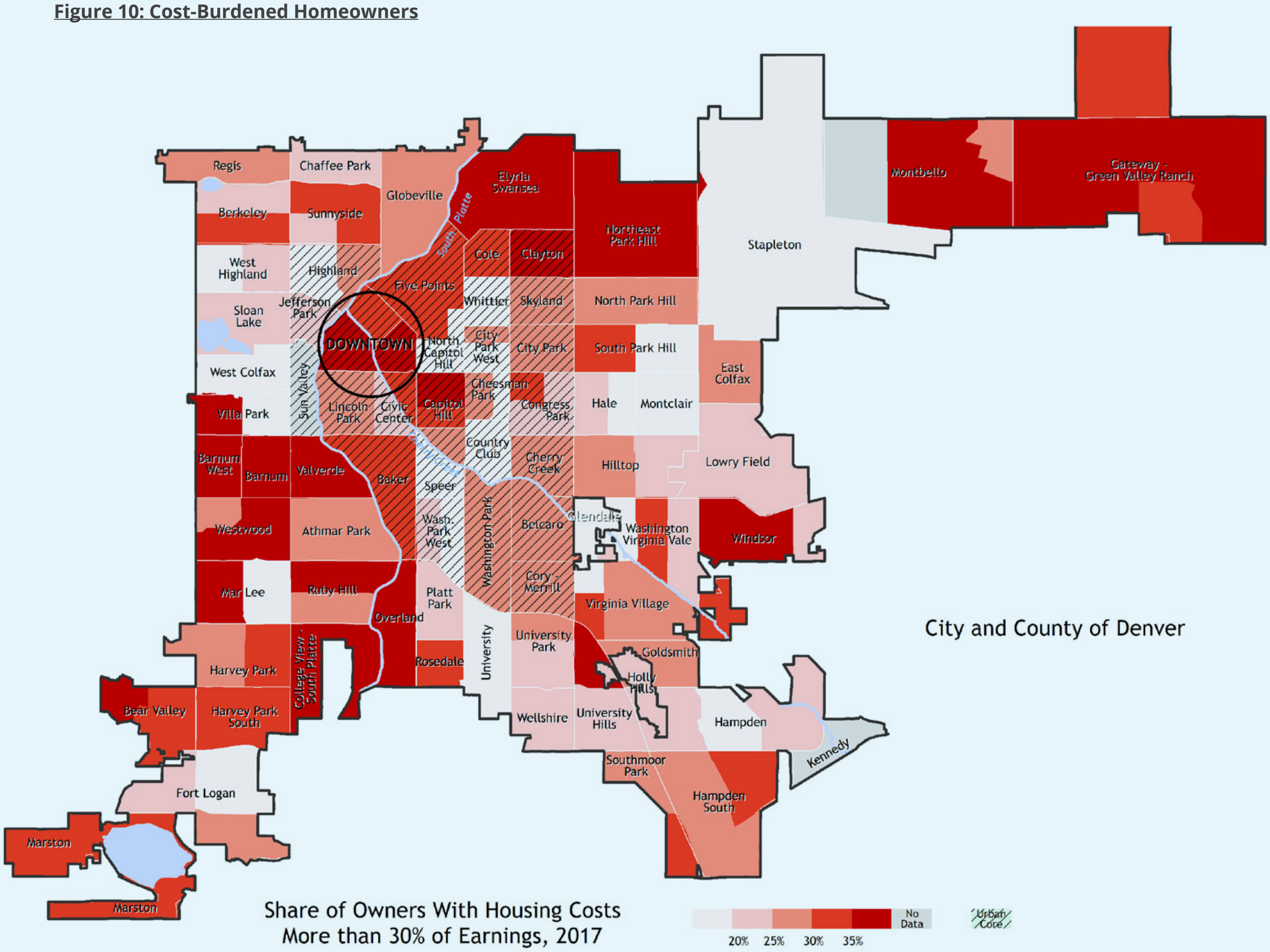
Figure 9: Median Housing Values, 2017



Source: U.S. Census American Community Survey 2017

Figure 10 examines homeowner households that are cost-burdened, based on the share of owners spending more than 30 percent of their income on housing. Darker shades of red indicate a higher share of owners who are cost-burdened by their housing. Here, we see a bifurcated pattern. On the one hand, there are relatively large concentrations of highly burdened homeowners in affluent downtown neighborhoods like Union Station, the Central Business District, and Auraria, signaling the increasing prices of those areas. On the other hand, however, there are even larger and more troubling concentrations of highly cost-burdened homeowners in many of the less-advantaged neighborhoods on the city's periphery along the west, north, and northeast borders.

Figure 10: Cost-Burdened Homeowners

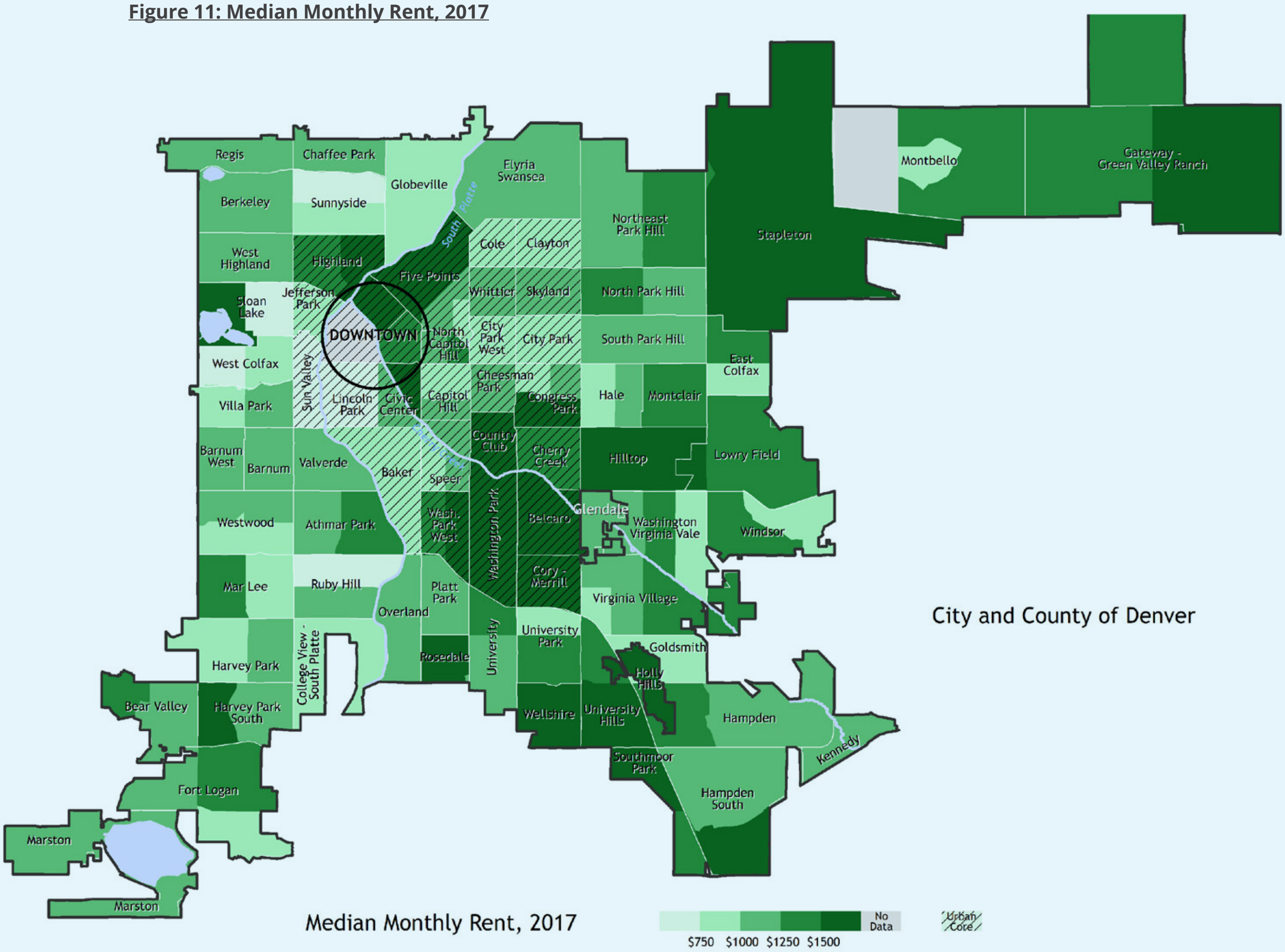


Source: U.S. Census American Community Survey 2017

The next two maps explore two dimensions of Denver's rental housing market. In Figure 11, darker green patches indicate areas with higher rents. There are high-rent neighborhoods in and around downtown, with median monthly rents above $1,600 (in dark green), including Union Station, Five Points, and Civic Center. Traditionally wealthy areas like Belcaro and Hilltop also have high rents.

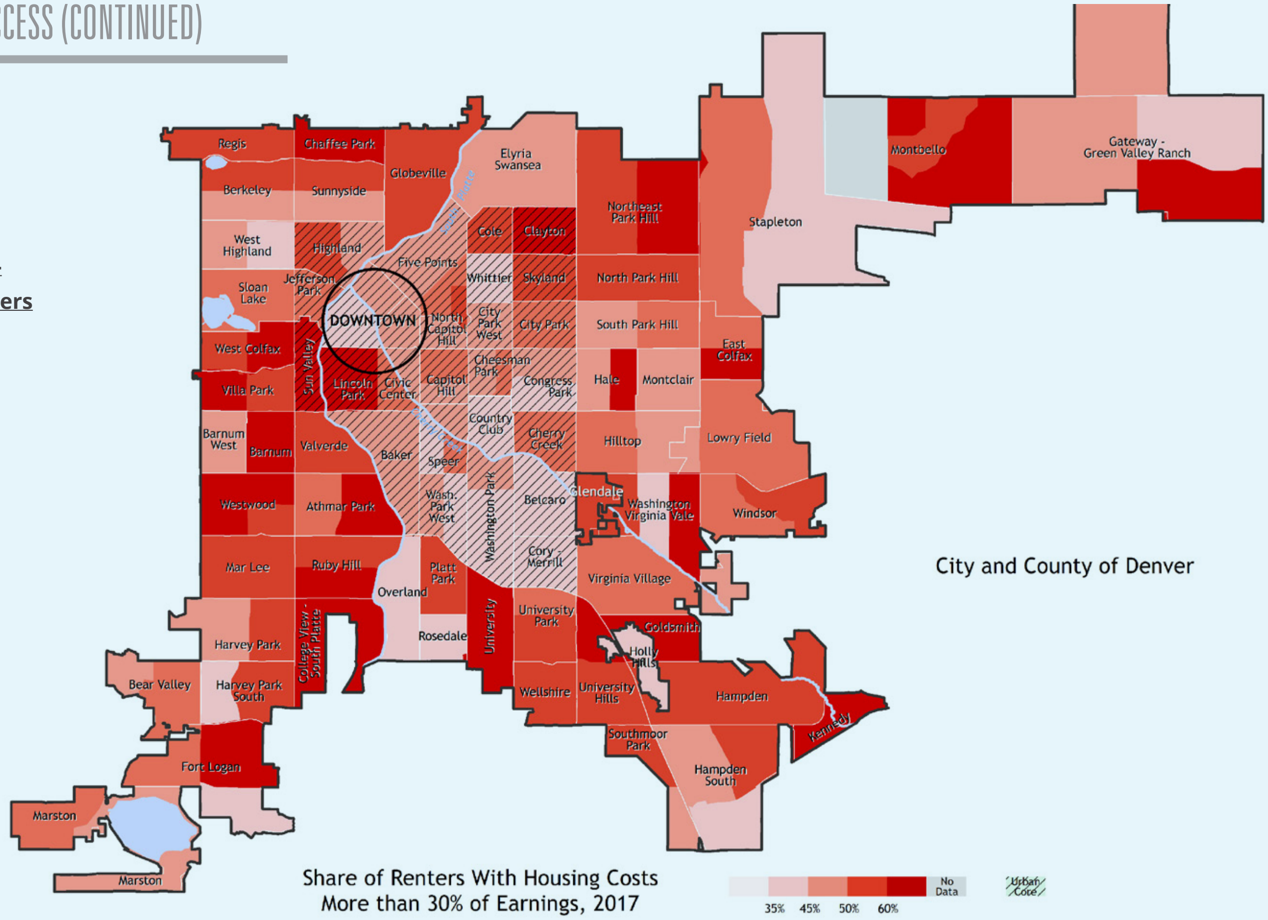
Figure 12 charts the cost burdens faced by renters, based on the share of renters spending more than 30 percent of their income on housing. Darker red indicates higher cost burdens for renters. Again, we see a bifurcated pattern, with highly cost-burdened renters showing up in some affluent and middle-class neighborhoods, like Hale and Cherry Creek. However, housing cost-burdened renters are especially concentrated on the city's disadvantaged west side.

Figure 11: Median Monthly Rent, 2017



Source: U.S. Census American Community Survey 2017

Figure 12: Cost-Burdened Renters



Source: [U.S. Census American Community Survey 2017]

A key element of the new urban crisis is the decline of the middle class and of the middle-class neighborhoods that once served as platforms for upward mobility and the American Dream. Between 1970 and 2012, the share of households living in middle-class neighborhoods declined from 65 to 40 percent, as inequality increased and families sorted into rich and poor neighborhoods. Over the past decade-and-a-half, 90 percent of U.S. metros have seen declines in their middle-class populations.[21]

When it comes to maintaining its middle class, Denver is doing better than cities like San Francisco and Los Angeles, which are ground zero for the new urban crisis. Today, nearly 45 percent of Denver households are members of the middle class, as measured by the households earning between two-thirds and double the national median income. Denver's middle class is the 7th-largest of the nation's 50 biggest cities. And it has actually grown at a reasonable clip in recent years. Its 13.6 percent growth rate over the five-year period of 2001-2017 is seventh-best among the nation's 50 biggest cities.

Table 22: Middle-Class Households

Rank	City	Middle-Class Households (Share), 2017	Growth in Middle-Class Households, 2012-2017
1	Virginia Beach	51.7%	4.0%
2	Nashville	49.7%	19.7%
3	Arlington	49.6%	2.7%
4	Raleigh	49.4%	16.9%
5	Omaha	48.7%	17.0%
6	Mesa	48.3%	7.3%
7	Columbus	48.1%	9.7%
8	Colorado Springs	47.5%	6.2%
9	Fort Worth	47.4%	10.4%
10	Phoenix	46.7%	12.2%
19	**Denver**	**44.7%**	**13.6%**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

As the middle class and middle-class neighborhoods have come under pressure, the nation and its urban centers have increasingly split into small areas of concentrated advantage surrounded by much larger spans of disadvantage. In 2014, 14 percent of Americans lived in extremely poor neighborhoods—that's twice as many as in 2000. From 2005 to 2014, two-thirds of America's 100 largest metros saw growth in concentrated poverty.[22]

Concentrated poverty is perhaps the most vexing problem facing America's cities. Study after study has documented its extent and growth, its intergenerational persistence, the toll it takes on people and neighborhoods, and the troubling degree by which it overlaps with race in America.[23] Across the nation, two-thirds of African Americans raised in poor neighborhoods end up trapped in poverty as adults.[24] Nationally, for every neighborhood that has gentrified since 1970, 10 have remained poor, and an additional 12 have become poor.[25] And despite notable exceptions, most poor, black neighborhoods are mired in persistent poverty and largely impervious to gentrification. A recent study finds that poor neighborhoods that are more than 40 percent black are, disturbingly, far more likely to remain poor than to gentrify or develop economically, with similar effects observed for majority Hispanic neighborhoods.[26]

Denver, to its credit, has relatively low poverty rates compared to those of other large cities. Its poverty rate of 8.7 percent of households ranks eighth-lowest among the country's 50 largest cities.

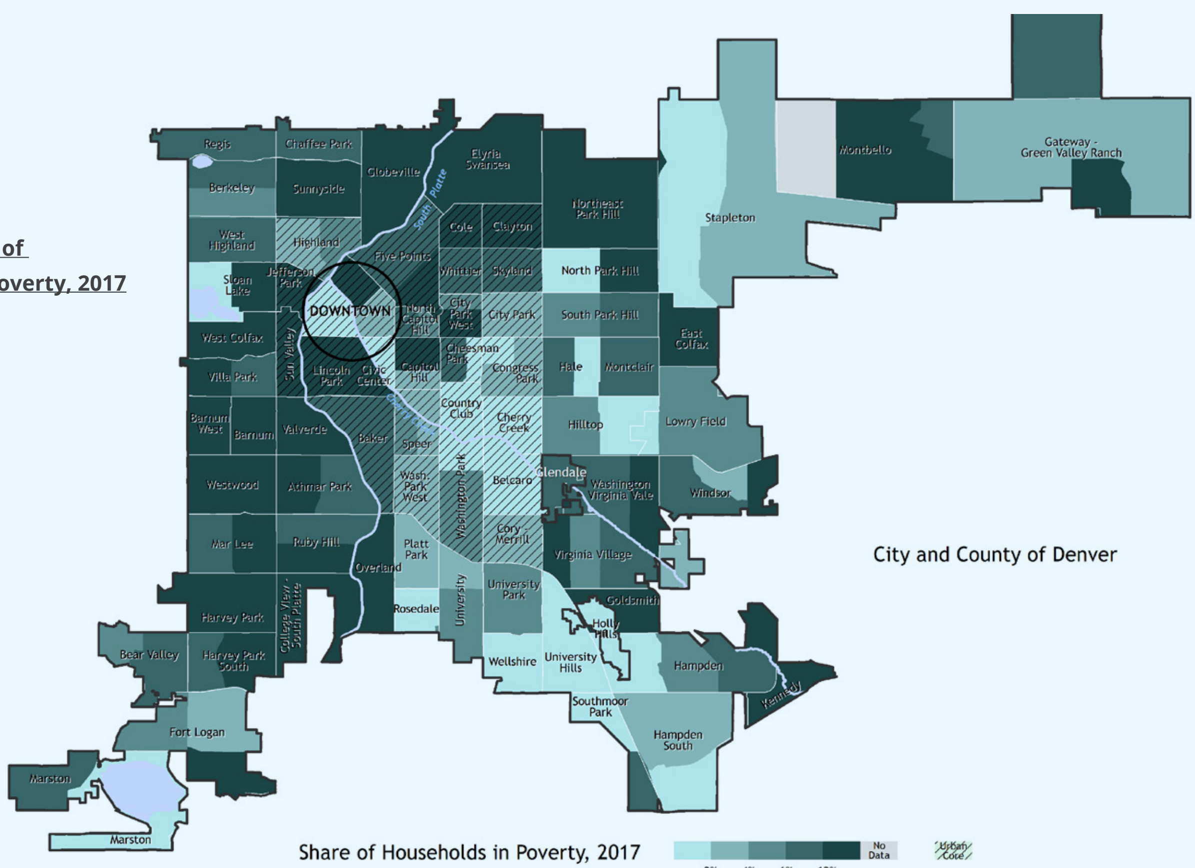
Table 23: Share of Households in Poverty

Rank	City	Share of Households in Poverty, 2017
1	San Francisco	5.1%
2	Virginia Beach	5.1%
3	San Jose	5.8%
4	Seattle	6.0%
5	Raleigh	8.4%
6	San Diego	8.5%
7	Austin	8.7%
8	**Denver**	**8.7%**
9	Omaha	9.1%
10	Charlotte	9.3%

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities, ranked from low to high

Still, poverty is heavily concentrated, geographically, in the city. In Figure 13, darker green indicates higher rates of poverty. Areas of concentrated poverty are mainly located outside the downtown area and urban core, in neighborhoods ringing the western and northern borders of the city, like Northwest Park Hill, Globeville, and Harvey Park. Note the relatively high rates of poverty in downtown neighborhoods like Union Station, Five Points, Capitol Hill and

Figure 13: Share of Households in Poverty, 2017



Source: U.S. Census American Community Survey 2017

Lincoln Park, further signaling the juxtaposition of concentrated disadvantage and concentrated advantage in this part of the city, as wealthier creative-class workers move into these historically low- and middle-income neighborhoods.

Concentrated poverty is not just a recent problem in Denver: it has been a problem for the past three-quarters of a century. Despite recent gentrification in and around the city's downtown core, there remain many more neighborhoods that are, for better or worse, stable in their socio-economic status. Most poor neighborhoods have remained poor, and most affluent neighborhoods have remained affluent. Rich neighborhoods are largely white, and poor neighborhoods are largely black and Hispanic, according to our analysis and other academic studies.[27]

It is only since 2000 that a relatively small share of the city's neighborhoods in and around downtown have gentrified based on increases in relative median income.[28] Today, roughly a fifth (19 percent) of the city's neighborhoods are experiencing persistent, concentrated poverty—meaning they are both economically disadvantaged and seeing an increase in low-income residents, according to a recent study.[29] This compares to 14 percent of neighborhoods that are gentrifying—enjoying economic growth and losing low-income residents. Just 6 percent of neighborhoods are experiencing inclusive economic growth, defined as growing economically while also increasing their share of low-income residents. Denver's challenge now is to increase the share of neighborhoods experiencing inclusive prosperity—economically developing in a way that benefits low-income residents and provides pathways for economic mobility.[30]

Table 24: Black Poverty

Rank	City	Black Poverty Rate, 2017
1	El Paso	13.0%
2	Virginia Beach	13.9%
3	San Jose	15.9%
4	Raleigh	18.5%
5	Arlington	19.3%
6	Charlotte	19.8%
7	Colorado Springs	19.9%
8	New York City	22.3%
9	San Diego	22.5%
10	Austin	22.9%
26	**Denver**	**26.7%**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

African Americans in Denver bear the brunt of concentrated poverty. More than a quarter (26.7 percent) of the city's black population live in poverty, compared to fewer than 10 percent of whites. To Denver's credit, its rate of black poverty is much better than that of cities like Milwaukee and Minneapolis. The city ranks right in the middle of the pack among large American cities on this metric: 26th of the nation's 50 largest cities. Still, the discrepancy between black and white poverty in the city remains daunting and disturbing. The poverty rate among Hispanics is 22 percent, again more than twice that of whites, but fairly low in the national context.

Table 25: Hispanic Poverty

Rank	City	Hispanic Poverty Rate, 2017
1	Virginia Beach	12.6%
2	San Francisco	13.9%
3	Washington, D.C.	14.0%
4	San Jose	14.1%
5	Seattle	17.5%
6	Jacksonville	18.2%
7	San Antonio	21.5%
8	Chicago	21.5%
9	San Diego	21.7%
10	Las Vegas	21.8%
12	**Denver**	**22.0%**

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

A STRATEGY FOR INCLUSIVE PROSPERITY

Denver's urban comeback and transformation has been nothing short of remarkable. People, business, and investment have streamed back into the city, and Denver has become a leading center of the innovation economy. But the city's economic transformation has created vexing new challenges, making it less equal and more unaffordable.

In contrast to other cities where these problems have come on even faster (or where they have been ignored), Denver has already begun to shift its policy agenda toward inclusive prosperity. Indeed, Denver is becoming a national model of inclusive prosperity in many respects. The city recently announced a $15 per hour minimum wage for all city workers and contractors**.** The "Vision for an Inclusive City" outlined in Blueprint Denver—a citywide, community-driven planning and visioning initiative—is a powerful call for shared and inclusive prosperity.[31] While Denver has benefitted from more than two decades of forward-looking and effective city leadership, the challenges the city now faces are not things city government can solve on its own. Here, it is important to remember that Denver's remarkable economic transformation was the work of many stakeholders and groups, in addition to city government, businesses, civic actors, economic development organizations, young professionals and creatives, neighborhood groups, and anchor institutions like universities and medical centers. Just as that transformation was the product of the ongoing collective efforts of these myriad groups and stakeholders, so too will the path to inclusive prosperity require a sustained and persistent effort of the same kinds of stakeholders over many years.

Mayor Hancock, city government and civic actors, and stakeholders have identified inclusive prosperity as the next big step in the city's evolution and are undertaking active efforts to address it. But more work needs to be done to elevate the problem and develop a vision and strategy to mobilize the widest possible range of stakeholders. These efforts should take shape across six broad pillars: 1) develop affordable housing, 2) connect all neighborhoods to prosperity, 3) create a more-inclusive knowledge economy, 4) turn low-wage service jobs into family-supporting jobs, 5) activate and engage anchor institutions, and 6) foster and deepen regional collaboration.

Develop Affordable Housing

Housing costs in Denver are high and rising rapidly. A big part of the solution is to increase the general housing supply. But increasing the supply of market rate housing is, by itself, not sufficient to address Denver's housing crisis. It is also essential to build significant amounts of below-market rate affordable housing and increase tenant protections. On this front, it will be essential for the city to leverage state and federal partnerships and work with local nonprofits and anchor institutions.[32]

Over the past several years, Denver has made considerable strides on this front. In September 2016, Denver's city council instituted an affordable housing linkage fee on new development, establishing the city's first-ever dedicated local funding source for affordable housing. This program came in response to state preemption that prevents the city from creating a robust inclusionary zoning program. In April 2018, Mayor Hancock and city council doubled the city's affordable housing fund from $15 million per year to $30 million.[33] The new funds enable the city to more than double its five-year affordable housing goals, which are now projected to create or preserve 6,400 units of affordable housing. These new funds will be leveraged to raise an estimated $105 million in bonds for even more affordable housing production.

The Neighborhood Equity and Stabilization Team (NEST), led by State Senator Dr. Irene Aguilar, provides targeted resources to prevent involuntary displacement and ensure that existing residents and businesses benefit from new investments flowing into gentrifying neighborhoods.[34] NEST will not only implement best practices proven to help vulnerable residents and businesses stay in place, it will also study the problem of displacement holistically and develop new solutions based on that research, highlighting the complicated causal mechanisms that lead to displacement.

In January 2019, the city expanded its property tax rebate program to cover families with incomes that are 40 percent below the city's median income. The program previously applied only to seniors and the disabled. In a city where property values—and property taxes—are rapidly rising, this program will enable some of Denver's most vulnerable residents to stay in their homes.[35] That same month, the city offered mortgage and utility assistance to federal workers (about 30,000 in all) affected by the government shutdown.[36] The city also has a pilot program to work with community land trusts to provide affordable housing. Additional affordable housing could be funded from new sources, like bonds, commercial linkage fees, and parcel taxes in the future.

The city council recently voted to extend the Single Family Rehabilitation Program, which provides low-income households with funds to keep their homes in good condition, through May 2020.[37] Last year, the program improved 41 homes in 23 neighborhoods, most of which are vulnerable to gentrification and displacement, according to the Office of Economic Development's 2016 Gentrification Study. In fact, that study has informed numerous decisions by DEDO over the past three years, prompting government action in all of the major issue areas the study identified.[38]

The city's 2040 Comprehensive Plan, adopted in April 2019, sets a target for reducing the share of cost-burdened households from 44 percent to 35 percent by 2040. It dictates that 60 percent of housing growth should be in and around major job centers like downtown, major corridors near transit, and secondary corridors that form neighborhood hubs. The plan also would legalize accessory dwelling units, a form of naturally occurring affordable housing, throughout all residential areas. The plan recommends allowing missing middle housing (duplexes, triplexes, fourplexes, and rowhomes) in more neighborhoods and using density bonuses to produce a similar result as inclusionary zoning. In return for providing affordable housing units near transit, developers would be allowed to build to greater densities.

The city's recently adopted Blueprint Denver calls for an approach that would allow missing middle housing, with a focus on affordability, in all of the city's neighborhoods. The city need not be all tall towers. Minneapolis, for example, has adopted a comprehensive plan that calls for upzoning single family neighborhoods to allow triplexes, and Oregon recently adopted similar statewide legislation.[39] These small multi-family buildings, especially if required or incentivized to be affordable at different income levels, can add substantially to density and to the housing supply by providing more affordable "missing middle" housing that can increase the racial and economic diversity of neighborhoods. They are also more in keeping with the character of existing single-family neighborhoods and much less expensive to build than high-rise towers.[40]

Blueprint Denver calls for easing parking requirements for affordable housing developments as well as in downtown and major urban corridors. The city should consider going even farther by eliminating all parking requirements for new development throughout the entire city, which significantly add to the cost of new housing, and instead allow developers to include parking only if they feel there is a demand for it. Additionally, in Denver, as in most cities, it remains relatively easy for organized groups to kill off affordable housing projects. The city should consider changing the approval process so that affordable housing initiatives can be approved "by right" and can be built at higher densities.

Unfortunately, Denver's ability to address its housing crisis is hindered by restrictions imposed by the state, which outlaws rent control.[41] The statewide rent control ban also affects Denver's inclusionary housing rules, prohibiting the city from requiring inclusionary units in rental apartment projects in most cases. The city should work with its state delegation and other state legislators, as well as the governor's office, to create policies that are aligned with its needs to create and preserve more affordable housing. While the state's laws governing condo owners' ability to sue builders over construction defects were reformed in 2017, so far the metro area has seen only a small uptick in condo construction.[42] More legal reforms and more assurances from local and state government are needed to get builders to begin filling the massive demand for new condos.

Connect All Neighborhoods to Prosperity

The uneven and concentrated nature of development in Denver is not simply occurring by choice: it is built into to the very nature of today's knowledge economy. Unlike the old industrial economy, where manufacturing plants and support activities could be spread around, the driving force of the knowledge economy is the extreme clustering of talent and investment in and around the urban core. This is not just true of Denver; it is true of every city that is a player in the knowledge economy. The result of such a strong and ingrained clustering force is a magnification of the divisions between neighborhoods.

Addressing this means creating ways to connect more neighborhoods and more people to areas of clustered and concentrated economic opportunity—essentially, finding ways to expand the benefits of established economic clusters to more neighborhoods and more people. That will require forging closer engagement with less-connected and less-advantaged communities and working with them to establish better pathways for capitalizing on economic opportunity. The city's Neighborhood Equity and Stabilization Team is an important mechanism for achieving this end, connecting community members with various city support systems, including housing resources, social services, and small business tools.[43]

Inclusive prosperity also means providing more direct, concerted assistance to disadvantaged neighborhoods. Just this past year, following a competitive process, the city awarded $9 million in grants to 36 projects related to housing and neighborhood revitalization.[44] The grants are expected to benefit nearly 10,000 people with programs like eviction legal defense, supportive housing for the formerly homeless, job training, and childcare. Furthermore, the Comprehensive Plan 2040 was informed by more than 25,000 community comments, providing Denver residents with a sense of ownership over the plan.

New taxes have also been leveraged to specifically assist vulnerable communities. Last year, Denver voters passed Ordinance 302, a sales tax increase that will provide $100 million over the next 10 years for more nutritious food options for children in low-income families.[45] Voters also passed Ordinance 301, which will generate $45 million annually for mental health and substance abuse services, specifically aiding the city's homeless community. [46]

Another mechanism for connecting disadvantaged neighborhoods to areas of economic mobility is through improved transit and mobility. Denver's rising housing costs mean than many residents are being pushed farther away from economic opportunities in the city center. And to function, businesses need such employees. The city's mobility action plan aims to get 30 percent of commuters bicycling, walking, or taking transit by 2030.[47] In 2018, the city installed 19 miles of new bike lanes, six miles of new sidewalks, and numerous other street improvements under the Safe Streets program of its Vision Zero initiative.[48] The City has further committed to installing 125 miles of bike lanes in the next five years. The Regional Transportation District's (RTD's) 40 percent fare discount for households earning below 185 percent of the poverty line is another trendsetting transportation equity initiative.[49] Denver's B Cycle bikeshare system recently launched the 5280 program, which provided 5,280 Denver residents with unlimited bikeshare passes.

The city envisions a network of transit-priority streets in Blueprint Denver and Denver Moves: Transit.[50] High-capacity corridors could see bus rapid transit or new rail lines, while medium-capacity corridors and speed and reliability corridors could see rapid bus lines, enhanced service frequency, and station improvements. Blueprint Denver emphasizes linking transportation investments with other economic mobility priorities to improve service in low-income areas and near new affordable housing sites.

The city is on the right path with these strategies and must continue to engage the community and secure funding for further implementation and planning.

Shared public spaces can also play a role in connecting people and communities. Placemaking strategies can help increase foot traffic for small businesses, encourage more active forms of transportation, and improve public health. High-quality public spaces in every neighborhood promote a sense of belonging and instill democratic values for all residents. Equity and inclusion must be central pillars of public space and placemaking strategies. Cities must be wary of the specter of "green gentrification," wherein beautiful new parks and public spaces actually play a role in displacing low-income residents, like what happened with Manhattan's High Line.[51] In light of this concern, the San Pedro Creek Culture Walk in San Antonio, affectionately known as the Latino High Line, was approved along with a $1 million fund for local residents who are at risk of being displaced by rising land values.[52]

Denver's Game Plan for a Healthy City emphasizes underprivileged communities by ensuring every resident is within a 10-minute walk from a park, and it proclaims that access to parks and open space is a "right" for every Denver resident.[53] The Denver Moves: Pedestrians and Trails plan identifies key needs for improving the pedestrian experience in Denver and enhancing its unique urban trail network.[54] The plan envisions new grade-separated trails and better paving and amenities, like street furniture and wayfinding signs, on existing routes. These changes help people who cannot afford, or who are not able, to drive. To pay for these improvements, Denver voters approved a new sales tax for parks improvements that will raise an estimated $46 million per year.[55]

Create A More-Inclusive Knowledge Economy

Denver has built one of the nation's and the world's leading innovative knowledge economies. It is now time to spread the fruits of that knowledge economy to all of the city's residents and neighborhoods. The good news is that almost half the city's residents are members of the highly paid creative class. The bad news is that slightly more than half are not. This is not only inequitable, it amounts to the underutilization of half of Denver's potential talent base. Every single individual—and every neighborhood—has skills, talent, and creativity that can and must be leveraged. The city must work to harness the creative talents of every person and every neighborhood.

A big part of this challenge involves creating new onramps for participation in the knowledge economy for less-advantaged people and places. Denver's career pathway programs work to match employer needs with ready and willing employees.[56] It provides specialized skills training programs (including in all-important computer skills) and funds for vocational training and further educational programs. Denver residents can also get their GED directly through the department of Economic Development and Opportunity.

Colorado Resource Partners' innovative job training program, WORKNOW, helps to connect residents to good jobs and assists with other essential needs, like childcare and transportation. The organization specifically trains people for good, in-demand jobs, like construction and office work, and spreads the word about these jobs through hiring fairs and other events. Since launching in October 2017, WORKNOW has placed 356 workers and enrolled a total of 762 participants. And 426 participants have utilized support services, while 417 have engaged in job training programs.[57]

High-tech startup ecosystems have been notoriously deficient in including minorities and women. Again, this is not only inequitable, it is a missed opportunity. Since opening in 2015, The Commons on Champa, an entrepreneurship hub in Downtown Denver made possible by a public-private partnership, has served 40,000 community members. The organization seeks to empower a diverse community of entrepreneurs by providing nine-week accelerator programs for women entrepreneurs and special advisory services for small businesses.[58] The Women in Tech Conference, hosted by the Colorado Technology Association since 2011, is a step toward diversifying Colorado's booming tech industry, which is centered in Denver.[59] Boulder (at 19 percent) ranks seventh in the nation for women-founded startups, according to Ian Hathaway's recent report for the Center for American Entrepreneurship. While Denver is not included in the study, the regional ecosystem is clearly ahead of others on this front.[60] A number of Denver area tech companies, such as Webroot and Carbon Black, have initiated diversity programs, including affinity groups for workers of color, and recruiting pipelines from local public universities.[61]

This can and should extend beyond just high-tech industries and enterprises. Etsy, the handicrafts e-tailer, created a training program to teach low-income residents how to start and manage their own businesses.[62] Maker spaces, like San Francisco's SFMade, provide training for local residents and connect them to local businesses that need workers.[63] Boogie Down Booth in the Bronx is a pop-up, solar-powered bus stop built by local artists, in collaboration with local businesses, that provides economic opportunities for people who wouldn't otherwise have them.[64] And Pittsburgh and Washington, D.C. recently launched job-training programs in low-income neighborhoods, directing high-tech resources to the population that needs them most.[65]

Turn Low-Wage Service Jobs into Good, Family-Supporting Jobs

More than half of Denver residents work in low-paid service and blue-collar jobs, making just over $30,000 per year and with much of that eaten up by housing costs. And 40 percent of Denver's workforce work in low-wage, precarious, and contingent service-class jobs in food preparation, retail shops, personal care, and office work. The workers who do these jobs are disproportionately women and minorities. These jobs are here to stay, and they are among the most rapidly growing jobs in the economy. The path to more-inclusive prosperity requires that these poorly paid jobs be upgraded and turned into better, higher-paying, family-supporting jobs. The city has taken an important step in this direction with its new policy to increase the minimum wage of city and city-contracted employees to $15 an hour by 2021.[66]

The good news is that Denver's service class is relative small and well-paid compared to that of other major cities. The city's service class has the fourth-highest wages of any large city—only in San Francisco are service-class workers paid significantly more, and housing costs there are much higher than in Denver. And the wages of the service class grew by 11.5 percent between 2013 and 2018, which is among the top 10 growth rates of the nation's 50 largest cities. Additionally, the city's service class is quite small, proportionally, compared to other cities: the sixth-smallest of the nation's largest cities. This is because Denver has a fairly large creative class, ranking 9th among big cities.

Table 26: Service-Class Wages

Rank	City	Median Service-Class Wages, 2017
1	San Francisco	$40,271
2	Washington, D.C.	$35,061
3	Seattle	$34,527
4	**Denver**	**$32,660**
5	San Jose	$31,866
6	Oakland	$30,769
7	Austin	$30,636
8	Raleigh	$30,389
9	Charlotte	$29,810
10	New York	$29,744

Source: U.S. Census American Community Survey 2017
Note: Rank among 50 largest U.S. cities

This is another area where private-sector action is key. We often forget that manufacturing jobs—the types of jobs that built America's middle class—were once bad jobs. But during the New Deal and post-World War II era, the federal government, private sector, and labor unions forged a new social compact that turned these once low-paying jobs into family-supporting jobs. The same can be done for service-class jobs today.

The name given to such upgrading is the so-called "good jobs strategy," developed by Zeynep Ton of MIT's Sloan School of Management, which shows that higher wages and better conditions for employees translate into higher profits for companies.[67] It is already being used by a growing number of leading-edge service companies. The Tulsa-based chain of QuikTrip convenience stores has used the good jobs strategy to drive its expansion. It offers higher pay, as well as paid time off, profit sharing, healthcare, and 401K plans, to all employees, resulting far lower turnover and far higher levels of employee engagement. The SAS Institute in North Carolina's Research Triangle also hires its cafeteria, custodial, and landscaping workers directly, rather than through an outside contractor, and provides them with access to amenities like the company gym. Companies like Trader Joe's, Costco, Zara, and Four Seasons employ the good jobs strategy and enjoy lower turnover, better customer service, and employee innovation, which in turn lead to higher productivity and greater profits.

Indeed, the discourse around minimum wage increases is beginning to shift. A recent study of more than 100 minimum wage increases between

1979 and 2016 found that these minimum wage increases raised low-wage earner incomes by an average of 7 percent without decreasing the number of low-wage jobs. In other words, the study challenges the longstanding concern that minimum wage increases reduce overall employment and harm the economy.[68]

The above data should help the city move forward on its minimum wage legislation with confidence. But city government isn't the only player in the minimum wage discussion. The city can help identify and organize leading-edge service companies that employ the good jobs strategy and create networks to disseminate best practices and scale these efforts. During the 1980s, America turned around many of its manufacturing companies by forging networks of leading-edge companies to work with others to demonstrate the value of paying workers more and instituting best practices. The same can be done for service-based companies. And, as we will see, large-scale anchor institutions, like universities and medical centers that employ large numbers of service-class workers, can also play a key role in undertaking the good jobs strategy and upgrading service jobs.

Activate and Engage Anchor Institutions

In cities across the country, anchor institutions—principally, universities and university-affiliated medical centers, but in some cases also large corporations—have been the central force in urban revitalization and are now leading the effort to create more-broadly shared and inclusive prosperity. In Pittsburgh, Carnegie Mellon and the University of Pittsburgh have played a central role in the city's rebirth as a high-tech economy by generating new startup companies and attracting established tech companies like Google and Uber, as well as by redeveloping the Oakland neighborhood into a center for the knowledge economy. In West Philadelphia, major universities like Drexel and the University of Pennsylvania, as well as the University Science Center, have made the neighborhood a center for the knowledge economy and are now working alongside Jefferson University to engender more-inclusive prosperity. In Newark, the Prudential insurance company has long worked alongside Rutgers University and the New Jersey Institute of Technology to stabilize and attract investment to the city and now is also working to ensure that future growth is inclusive and confers benefits to a broad swath of Newark residents. Howard University in Washington, D.C. has created a new incubator to support minority entrepreneurs.[69]

Denver has a substantial cluster of higher-education institutions—Metropolitan University of Denver, Community College of Denver, and University of Colorado, which together are home to roughly 50,000 students—in its Auraria neighborhood, adjacent to downtown. This is a huge source of talent—literally, a short walk away—for the city's rapidly expanding urban innovation economy. The University of Denver, major hospitals, and nonprofits are also important sources of talent and hubs of neighborhood activity. The city's anchor institutions need to make inclusive growth a key part of their mission. The students and faculty of these institutions represent a huge constituency for inclusive prosperity, as they would benefit from strategies to provide affordable housing, deepen connections to the city's knowledge economy, and invest in transit, walking, and bicycling (the campus area includes just 5,000 parking spaces for its 50,000 students and thousands of faculty and staff).

Anchor institutions can play a central role in upgrading service jobs. Many of them employ large numbers of low-wage service workers. They could follow the city in instituting a higher minimum wage and play a role in instituting the good jobs strategy. And they can help with affordable housing. The University of Pennsylvania, for example, extended its homeownership improvement and assistance programs to neighborhood residents as well as faculty. Johns Hopkins University partnered with the East Baltimore Development Initiative to construct housing for low-income seniors as well as university students.[70] Arizona State University opened a major campus in downtown Phoenix that includes new public spaces, in addition to research facilities, stores, and restaurants, and is now credited as a key ingredient in the revival of downtown.[71] In other cities across the country, anchor institutions have worked to invest in local schools and create improved community spaces and other community assets.

Here, Denver can benefit from developing an "anchor pledge" among the city's leading anchor institutions to work together on inclusive prosperity initiatives like wage increases, health and education benefits, job training, affordable housing, and public realm improvements. It can learn from anchor collaboratives like Philadelphia Anchors for Growth and Equity and Cleveland's Greater University Circle Initiative, which foster anchor and community collaboration around inclusive growth.[72]

Cleveland's anchor collaborative includes the Cleveland Clinic, Case Western Reserve University, and University Hospitals, all of which are located in the city's University Circle neighborhood. As people, jobs, and investment flowed away from Cleveland in recent decades, these "rooted in place" institutions recognized the importance of promoting economic development and improving quality of place in their own backyards. These institutions have used innovative programs to produce a transformative effect on their neighborhood since the collaborative's founding in 2005. As of May 2016, 500 people have moved to the neighborhood via the collaborative's incentives, 1,800 new jobs have been created, half a million square feet of office and lab space have been built or renovated, and nearly 500 neighborhood residents have been connected to career and job training.[73]

In a similar vein, the Indianapolis Chamber of Commerce recently released a report that recommends conditioning future economic incentive packages to equitable business practices. That includes providing all employees with the local living wage ($18 an hour) and providing health benefits to all employees.[74]

Foster and Deepen Regional Collaboration

Denver has long been a leader in regional collaboration. Everywhere you go, business leaders, political officials, economic development types, academics, and regular people say that communities and groups in Greater Denver know how to work together and across regional boundaries.

Addressing Denver's new urban crisis of success will take a broad regional effort. The new urban crisis does not stop at the borders of the city of Denver. In fact, across the nation, the suburban dimensions of the new urban crisis—from poverty and inequality to housing unaffordability—are growing faster and receiving less attention than the new urban crisis of cities. The affordable housing crisis, to take just one example, cannot and will not be solved in the city of Denver alone. A detailed recent study of the nation's housing crisis shows that our leading cities, including Denver, have actually built a considerable amount of housing. The places where much less housing has been built and where NIMBY sentiment is highest is in older, close-in suburbs—the kinds of places that can easily take on additional construction and density.[75]

Regional collaboration is a must in Denver because its economy extends across borders from the city into the suburbs and beyond. The region's high-tech hubs span Boulder, Golden, Castle Rock, and the Denver Tech Center in Greenwood Village, as well as the city. Workers often live in one city and commute to another. For instance, a significant number of people who work at Google's Boulder campus live in Denver, which offers more-affordable housing and a more-urban experience.

The region's political and business leaders have a strong working relationship. And the Metro Denver Economic Development Corporation has been an important force for regional collaboration. Denver is also a member of the Metro Mayors Caucus, the Denver Regional Council of Governments (DRCOG), and is active in the Metro City and County Managers Association, Metro Area County Commissioners, and numerous other regional and statewide organizations. DRCOG has been instrumental in creating transformative regional projects like Denver International Airport and the FasTracks transit expansion. It has also brought 46 municipalities representing 90 percent of the region's population into binding agreements regulating land use and growth management. DRCOG's Metro Vision is an important document that advances key inclusive growth and development goals.[76]

But the region can benefit from broader efforts to bring together not only local municipalities but also leading anchor institutions and corporations in a comprehensive push for inclusive prosperity. Other metros have created regionally based strategy and thought-leadership bodies—such as New York City's Regional Plan Association and SPUR in the San Francisco Bay Area—to guide regional development and address pressing housing, transportation, and workforce issues. These organizations are supported by local businesses and anchor institutions, conduct detailed data-driven and evidence-based research, and forge regional consensus on pressing issues of strategy and policy. They're also adept at engaging local residents on important regional issues.

While DRCOG and other regional groups are moving in the right direction, Denver needs more aggressive and comprehensive regional collaboration. Binding agreements should be sought on affordable housing construction, minimum wages and benefits, and land use and transportation policy, among not only area municipalities, but major corporations and anchor institutions as well. Essentially, these policies should mirror the city of Denver's existing efforts on these fronts to make sure the entire region is just as serious about creating more inclusive prosperity. There are few examples in the U.S. of regions working together to this extent, meaning metro Denver has an opportunity to be a trendsetter, with the city of Denver taking the lead.

Bottom line, Denver's new urban crisis will not solve itself. Without intentional and persistent action on behalf of the city's and region's key business, academic, political, civic, labor, and neighborhood-based stakeholders, the crisis will only deepen and intensify. Denver has the opportunity now to learn from what has happened in places like San Francisco, Los Angeles, New York, and Boston—places where housing is far more expensive and where economic divides have grown far worse—to forge a new path for inclusive innovation and growth. Not only is it the right thing for Denver, but the city could also become a model for other cities around the country and the world to follow.

APPENDIX A: RESEARCH AND ENGAGEMENT PROCESS

This study is based on a combination of quantitative and qualitative research.

Our quantitative research compares the city of Denver to the 50 largest principle cities in the U.S. We compare Denver to its peer cities across numerous demographic and economic indicators, such as population, jobs, talent, income, education, class, race, housing, inequality, and segregation. This data comes from the 2017 U.S. Census American Community Survey. We also look at Denver's trends in tech startups, using Pitchbook data, and headquarters, using data from the Fortune 500. In addition, for our analysis of the New Urban Crisis, we drill down in many of these indicators by neighborhood or census tract, mapping them across Denver's dozens of census tracts. This illuminates the nature and extent of spatial inequality across the city.

Our qualitative research is based on detailed interviews, roundtables, and focus groups with more than 30 participants spanning the Mayor's office, other government officials, business leaders, real estate developers, representatives of the Chamber of Commerce and local economic development organizations, professors and higher education officials, community development institutions, transportation authorities, labor groups, neighborhoods groups, civic activists, and others. A complete list of participants is included in Appendix B.

In addition, we reviewed a wide array of archival material, such as Denver's Comprehensive Plan 2040, Denver Moves: Transit, Denver Moves: Pedestrians and Trails, Blueprint Denver, and Game Plan for a Healthy City, among others. We also reviewed a wide range of studies on Denver's urban economy, transformation, and gentrification, as well as media and press reports on these topics, many of which are listed in the endnotes to this report.

APPENDIX B: ROUNDTABLE PARTICIPANTS

Business Community

- Kelly Brough, Denver Metro Chamber of Commerce
- Savinay Chandrasekhar, Minds Matter Denver
- Justin Cooper, Saunders
- Tara Dunn, HighMark Law LLC
- Anthony Graves, Office of Denver Mayor Michael Hancock
- Ruth Rohs, IMA Financial Group

Transportation and Mobility

- Eulois Cleckley, Denver Department of Public Works
- Tykus Holloway, Office of Mayor Denver Michael Hancock
- William Sirois, Regional Transportation District
- William Van Meter, Regional Transportation District

Universities and Anchor Institutions

- Nolbert Chavez, CityCenter at CU Denver
- Cara Marie DiEnno, University of Denver
- Catherine Lucas, Metropolitan State University of Denver

Downtown Denver

- Carrie Atiyeh, Visit Denver
- Tami Door, Downtown Denver Partnership

Anti-Displacement and Economic Mobility

- Michael Cortés, Colorado Latino Leadership, Advocacy & Research Organization
- Haroun Cowans, The Flyfisher Group
- Rudy Gonzales, Servicios de La Raza
- Monique Lovato, Mi Casa Resource Center
- Nola Miguel, Globeville Elyria-Swansea Coalition
- Pastor Del Phillips, Greater Metro Denver Ministerial Alliance
- Tim Roberts, East Colfax Neighborhood

Housing and Economic Development

- Margaret Danuser, Department of Finance, City & County of Denver
- Mayor Michael Hancock, City & County of Denver
- Eric Hiraga, Denver Economic Development & Opportunity
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Richard Florida is one of the world's leading urbanists.

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