Denver Initiatives Around Mixed-Income TOD

Melinda Pollack
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Agenda

- The Need for Mixed-Income TOD in Denver
- Making the Case to Local and Regional Leaders
- Tools and Policies to Make It Happen:
  - The Denver TOD Fund
  - RTD Joint Development & Affordable Housing Policy
- Regional Collaboration Efforts:
  - West Corridor TOD Working Group
  - Denver Livability Partnership
  - Mile High Transit Opportunity Collaborative
Why is it needed? - FasTracks Overview

- 2004 – FasTracks approved by voters
- Six (6) new rail corridors
- 119 miles of tracks
- 70 new transit stations
Challenge of Creating and Preserving Affordability

- Denver region lacks strong affordable housing mandates
  - Denver, Boulder, Longmont the only communities with IZOs
  - Weak IZO applies only to for-sale properties with 30+ units
  - Recent rezoning/up-zoning in Denver did not include affordability requirement

- Dual affordability challenge in transit corridors
  - Preserving existing affordability in the face of redevelopment pressure
  - Incorporating affordable housing into new development
Nearly 51,055 new residential units have been either built or are proposed near transit stations. However, only 2,428 of these units are designated as affordable.

**Percentage of Developments with an Affordable Housing Component**

- 95.24% (48,577 units)
- 4.76% (2,428 units)

Total Units: 51,005

*Source: Regional Transportation District, 2010*
Yellow areas are affordable to median income, assuming 30% of income for housing only, 45% of income for H + T combined

Source: Center for Neighborhood Technology
Households in transit zones are lower income

Household Income Distribution, Denver Transit Zones and Denver MSA, 2000
Making the Case

- In 2007, Enterprise and CTOD released “The Case for Mixed-Income Transit-Oriented Development in the Denver Region”

- Key Findings:
  - There is a growing demand for housing near transit
  - But a closing window of opportunity to develop it in a sustainable way with mixed-income housing.
  - Barriers exist to creating such communities
  - Offers an array of tools for overcoming barriers
  - Tests out these tools at four planned transit station areas
Tools & Policies to Make Mixed-Income TOD Happen

- The Denver TOD Fund
- RTD Joint Development & Affordable Housing Policy
### What is the Denver TOD Fund?

- **Goal:** Create and preserve at least 1,000 units of affordable housing

- **Partners**
  - City of Denver – top loss investor
  - Enterprise – investor/fund manager
  - Urban Land Conservancy (ULC) – equity/borrower/interim property holder
  - Other investors
    - Colorado Housing and Finance Authority
    - MacArthur Foundation
    - Mile High Community Loan Fund
    - Rose Community Foundation
    - U.S. Bank
    - Wells Fargo
What is the Denver TOD Fund?

- **Senior Debt** - $5.5 Million – Enterprise and MHCLF
- **Third Loss** – $4.5 Million – CHFA and Foundations
- **Second Loss** - $1 Million - Enterprise
- **First Loss** - $2.5 Million - Denver ULC
- **ULC** - $1.5 Million
What is the Denver TOD Fund?

- **Structure**
  - Line of credit to ULC
  - ULC identifies property and draws on TOD Fund for purchase (after Enterprise underwrites proposed acquisition)
  - ULC identifies affordable housing developer to purchase the site by the end of the hold period

- **Three target property types**
  - Existing federally-assisted rental properties
  - Existing unsubsidized, below-market rate rental properties
  - Vacant or commercial properties to be converted to new affordable housing
Jody Apartments

- Located less than 300 feet from future light rail station

- ULC has 99 year land lease to nonprofit owner

- 52 of 62 apartments now permanently affordable, 12 at 30% AMI and below

- 62 units adjacent to Sheridan Station

- NEWSED, ULC, Enterprise, City, Colorado Division of Housing
Dahlia Apartments

- 2008 foreclosure
- Six buildings with thirty-six 2-bedroom apartment homes in northeast Denver
- Neighborhood Stabilization Funds (NSP) - $450,000
- TOD Fund - $1 million
- Short term rehab
- Long term hold by local CDC
Yale Circle

- 1.2 acres of vacant land located next to the Yale light rail station
- Along existing southeast rail line
  - Site identified by nonprofit developer who has decided not to proceed
  - Preliminary plans include 70 units
  - 9% LIHTC likely
  - Total Development Costs = $11.5 million
Avondale – Mile High Vista
Avondale – Mile High Vista

- Two acre site between highest frequency bus corridor and rail line opening soon
- Plans affordable housing, library and commercial
- ULC acting as master developer, clean up and infrastructure
- Approx $2 M purchase price
The Fund’s Future

- Explore expansion from $15 million Denver only to $30 million for the region
- Continue to focus on funded lines while advocating for entire transit system build out
- Continue to look for creative means to achieve preservation goals, subsidized and not
- Support ULC and development partners in building capacity
RTD Joint Development and Affordable Housing Policy

- Worked with RTD (transit agency) board and staff to adopt affordable housing policy within TOD strategic plan. Policy passed in fall 2010.
- State-level changes to make this policy feasible.
- Proactively addresses risk of gentrification rising housing costs associated with TOD.
- Sets process for RTD and municipalities to evaluate, set goals and develop affordable housing at 0-50% of Area Median Income.
Regional Collaboration Efforts

- West Corridor TOD Working Group
- Denver Livability Partnership
- Mile High Transit Opportunity Collaborative
West Corridor TOD Working Group

• A partnership between:
  • City & County of Denver
  • City of Lakewood
  • Denver Housing Authority
  • Metro West Housing Solutions

• With assistance from the Center for Transit-Oriented Development

• Goals:
  • Corridor-wide strategic plan for development
  • Access to employment, education, housing, services through transit
  • Balance the preservation of affordable housing with reinvestment
  • Create economic development opportunities
  • Identify catalytic redevelopment sites
  • Serve as a regional model for livable communities
Station Area Plans for the Corridor

Planning Studies Key
1. 10th and Osage Station Area Plan
2. Auraria Station Area Plan
3. Auraria Campus Master Area Plan
4. Decatur (Federal Station) Area Planning
5. West Colfax Area Plan (Denver)
6. Sheridan Station Area Plan (Denver)
7. Sheridan Station Area Plan (Lakewood)
8. Lamar Station Area Plan
9. Colfax Mixed Use Zone District (Lakewood)
10. Wadsworth Station Area Plan
11. Garrison Station Area Plan
12. Oak Station Area Plan
13. Federal Center Master Plan
14. Union Corridor Station Area Plan

Applicable to all transit station areas:
- Denver TOD Strategic Plan
- RTD West Corridor Development Oriented Transit Study
- RTD TOD Strategic Plan

Housing Authority
Controlled Land in Station Areas
- 10th and Osage: 17.5 acres
- Decatur: 11.4 acres
- Knox: 15 acres
- Lamar: 5.34 acres
- Wadsworth: 3 acres
- Garrison: 2.5 acres
- Federal Center Station: 2 acres
- Red Rocks: 3.5 acres

Legend
- City border
- County border
- Transportation
  - Station
  - Half-Mile Buffer
  - Transit Rail Line
  - State Highways
  - Freeways

CTOD - CENTER FOR TRANSIT-ORIENTED DEVELOPMENT
[Map with various station areas and controlled land information]
A TOD Implementation Typology
West Corridor TOD Working Group

More information and full report available at:
http://www.westcorridor.org

Connecting the West Corridor Communities:
An Implementation Strategy for TOD along the Denver Region’s West Corridor
City & County of Denver received a $2.9 million HUD Sustainable Communities & DOT TIGER II grant in fall 2010.

One of only 14 communities to receive a joint award from HUD & DOT.

The Denver Livability Partnership will expand permanent affordable housing, improve access to jobs and create better multi-modal connectivity along Denver’s transit corridors.

Activities include:
- Creating a Housing Development Assistance Fund
- “Next steps” planning, design & studies on the West Corridor
An emerging collaborative of nonprofit and philanthropic organizations working together to ensure the creation of the region’s $6.7 billion FasTracks transit system benefits all communities in the region, including low-income populations.

Supported by the generous contributions of our members and by a contribution from the Ford Foundation’s Metropolitan Opportunity initiative.
Providing a vision and roadmap for how transit system and surrounding development can improve opportunities for all communities, including low-income communities in the region.

Working across city and county lines to create a shared vision and build a movement for people across the eight-county Metro Denver area to improve the quality of life across the region.

Convening private, public, and nonprofit leaders and community groups that have a stake in the build-out of the transit system to ensure all communities, including low-income communities, benefit from its construction.

Investing in various projects around the region that are designed to ensure equitable outcomes across the entire transit system.

Funding the HUD SCRPG application by regional MPO.
Looking Ahead

- Expanded TOD Fund
- MHTOC & Regional Collaboration
- Successful SCRPG Application
- A little help from our friends…
- Additional $$$ from Ford, HUD, and other funders and a better informed regional growth strategy!!
Thank You!

www.enterprisecommunity.org
www.enterprisecommunity.com

mpollack@enterprisecommunity.org
(303) 376-5405