

# Washington DC...as a Cautionary tale of Equity & *Cities/Regions* of the



## **Best Practices: Zoning For Revitalization Without Displacement**

*April 23, 2018*

*Harriet Tregoning*

# Accumulated barriers to Housing Development: Significant costs to Households, Local Economies

## Real Construction Costs and House Prices Over Time

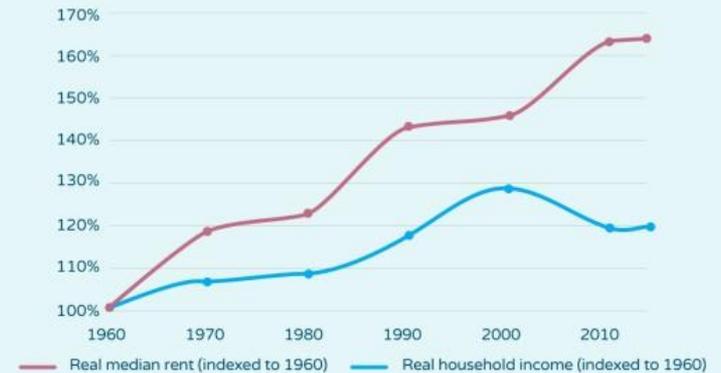
Index, 1980=100



Source: Gyourko, Malloy (2015)

## How Have Rents Changed Since 1960?

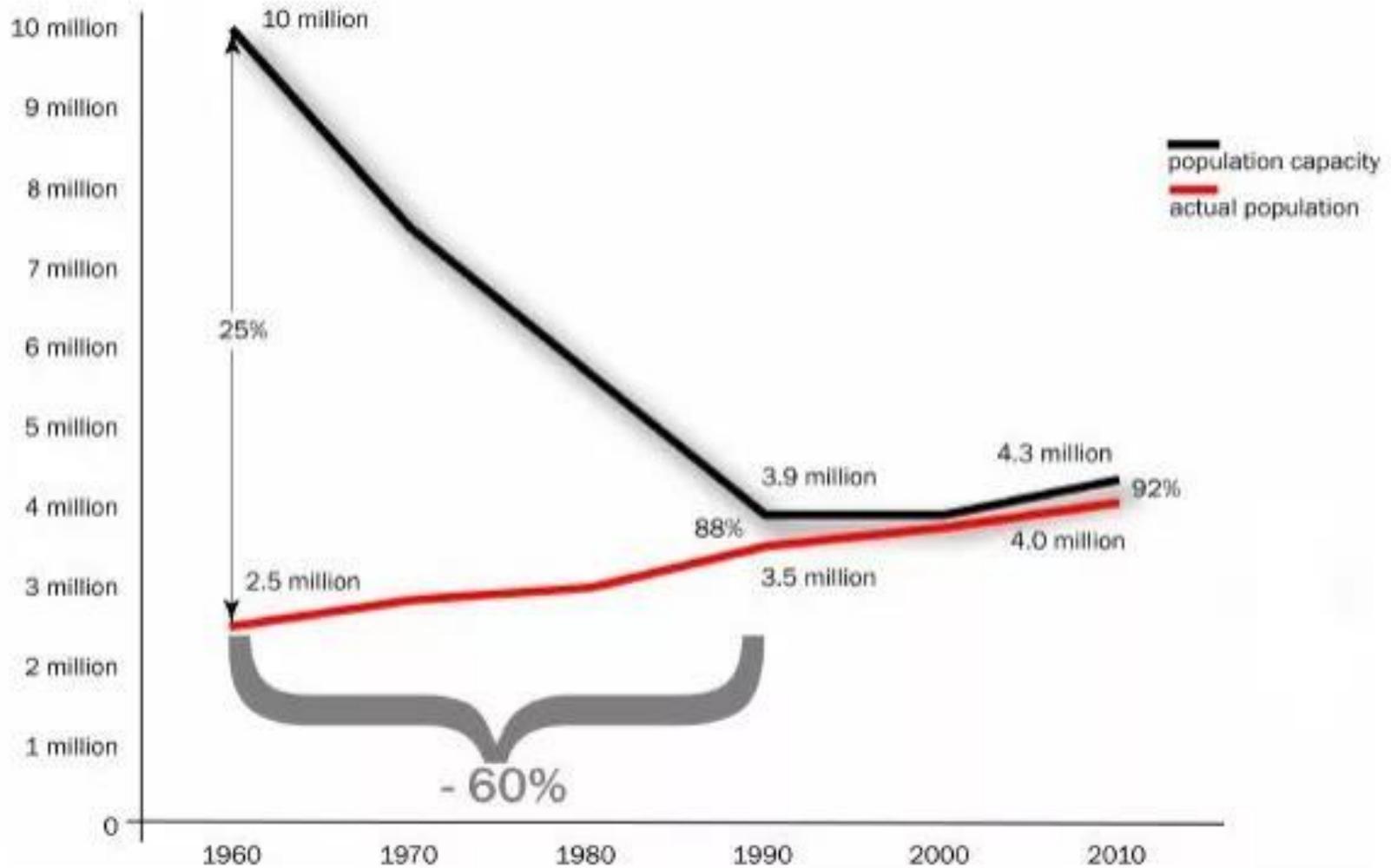
### Median Rents Vs. Median Household Income, 1960-2014



Source: US Census; AL Calculations

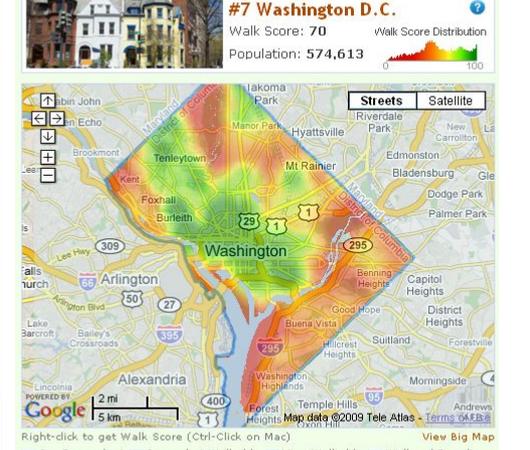
apartment  list RENTONOMICS

# Los Angeles – Zoned Residential Capacity Over Time



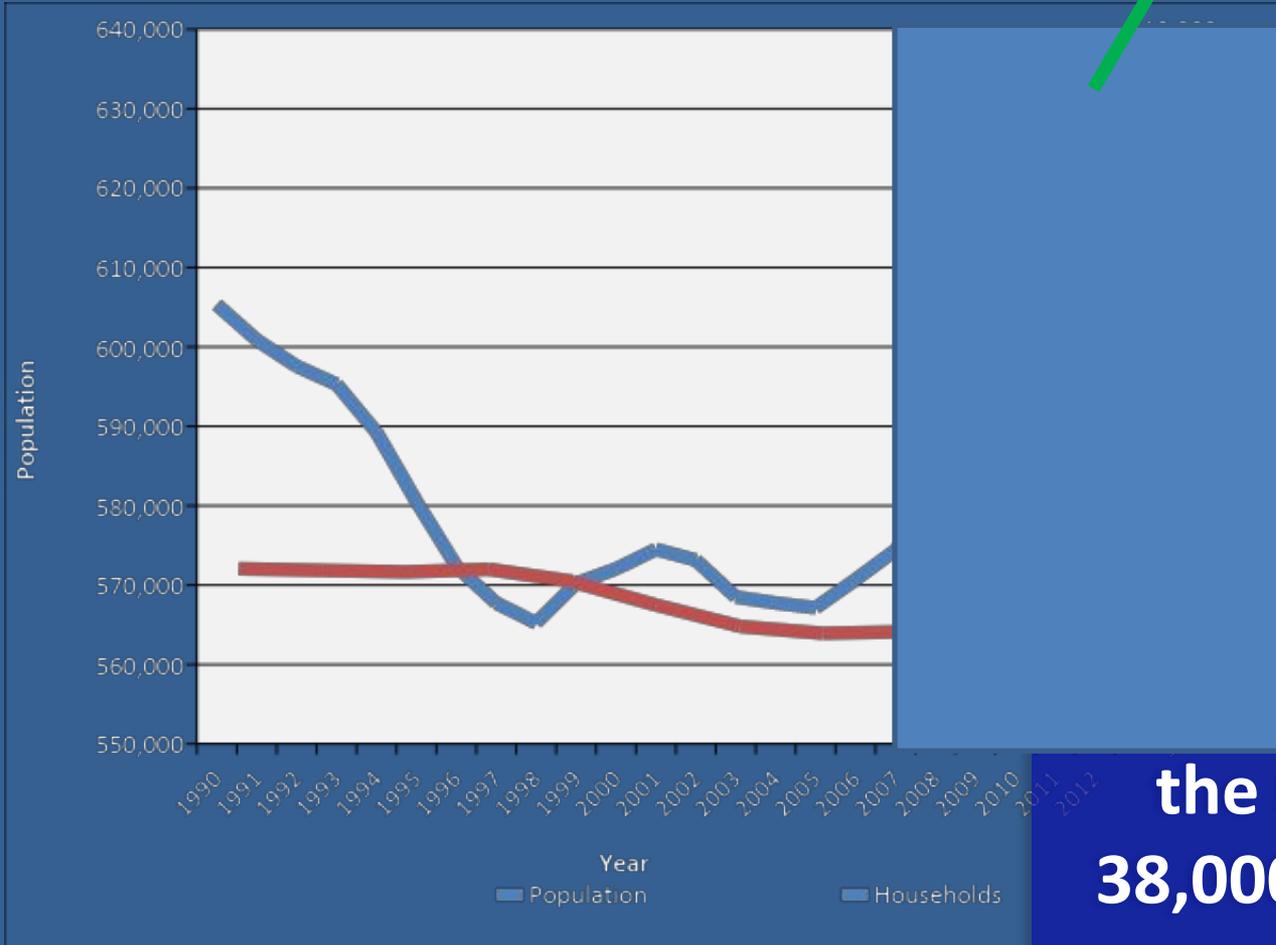
Source: Morrow (2016)

# DC Revitalized, often around Transit, Walkability



# The District's Growth

Household and Population Growth: 1990 - 2012



**2013 estimate:**  
**646,449 residents**  
**2017 estimate:**  
**693,972 residents**

**Population**  
**1.9%/year**

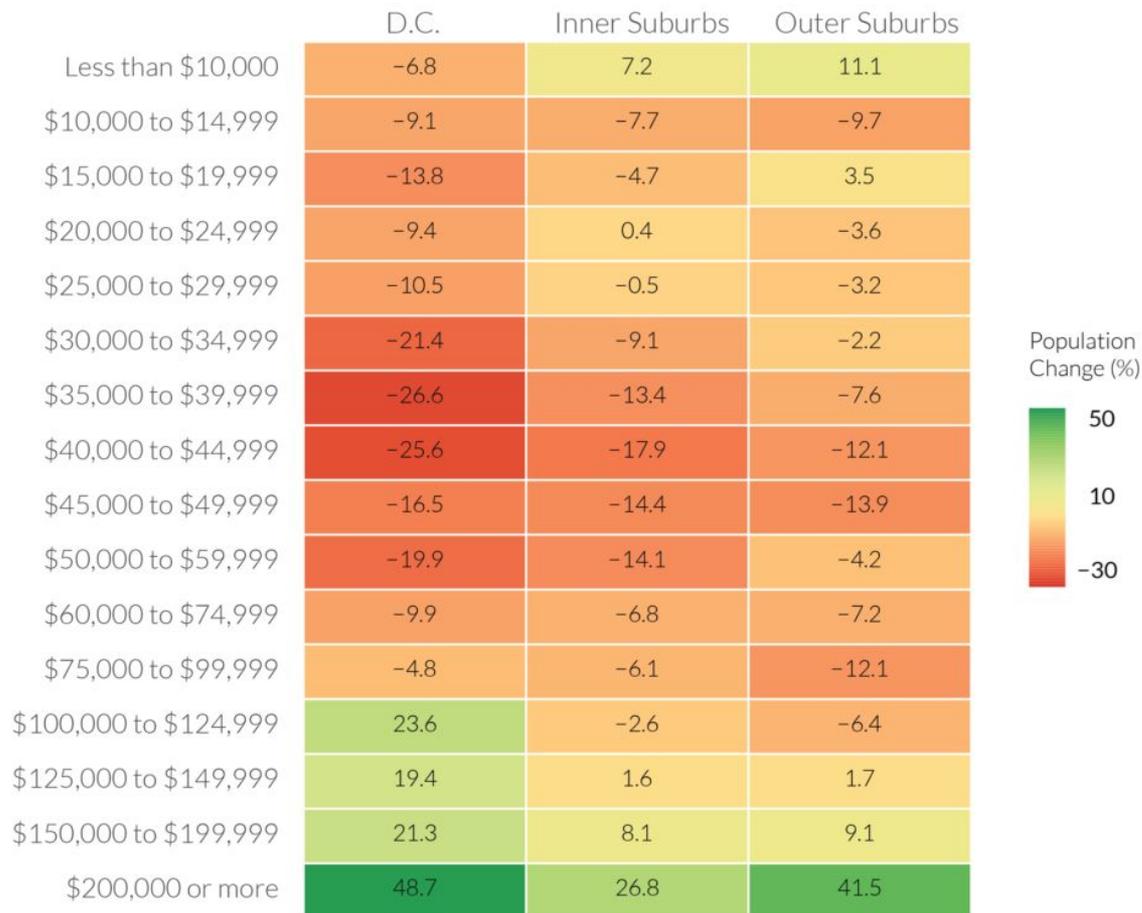
**Households**  
**2.2%/yr**

**Between 2007 & 2012**  
**the District also added**  
**38,000 jobs at an annual**  
**growth rate of 1.1%**

Source: US Census, DC Office of Planning.

# New residents came with higher incomes

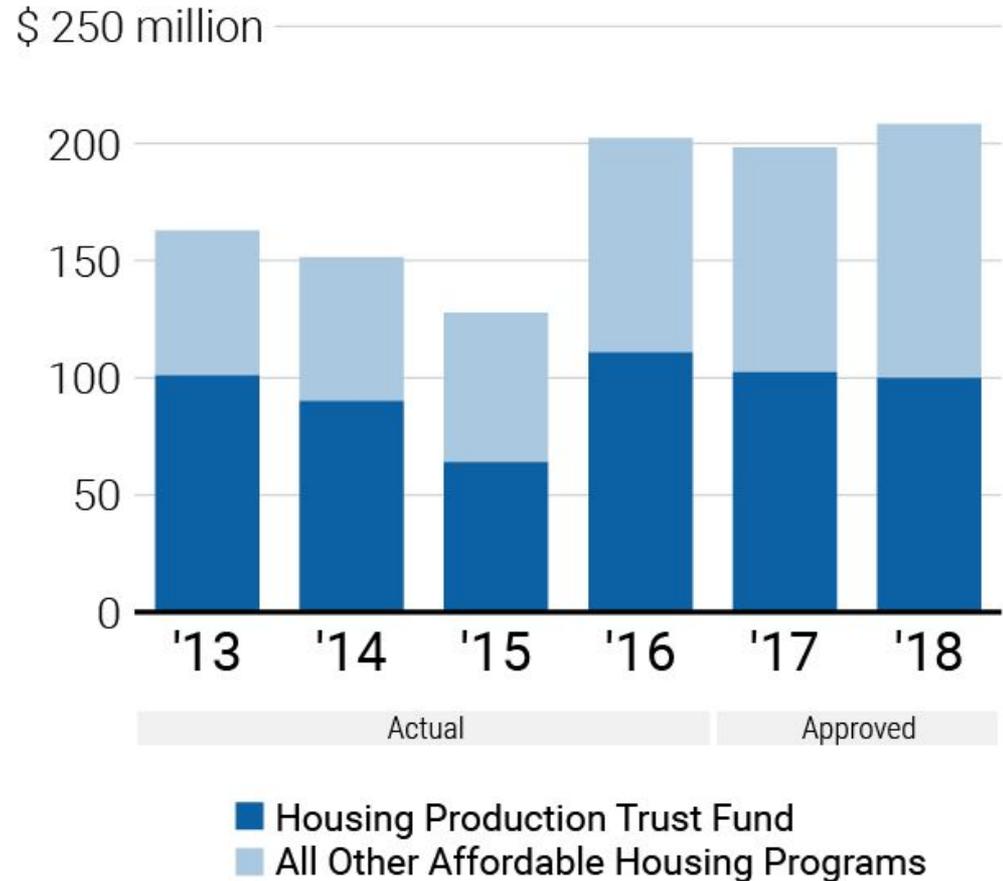
**Figure 3. Percent change in population by household income within the D.C. metro area, 2010–2016**



Source: U.S. Census Bureau, 2016 American Community Survey 5-Year Estimates

ANTI-DISPLACEMENT POLICY	DC
Develop a range of financial incentives (e.g., scaled capital and risk capital).*	X
Increase governmental funding sources for affordable housing development.	<b>CURRENT</b> <b>\$120M/yr</b>
<p style="text-align: right;">Increase general fund allocations.</p> <p style="text-align: right;">Devote a share of property or sales tax revenue to housing (via value capture or other means).</p>	
Use employer-funded sources (e.g., pension funds and employee stock ownership plans) to support affordable (or workforce) housing development.*	
Establish employer-assisted housing programs.*	X
Adopt rent control or rent stabilization policies.	X
Provide real property tax relief.	XX
Leverage publicly owned property for affordable housing development.	XX
Reuse vacant property, including adaptive reuse of obsolete properties.*	XX
Create a land bank.*	X
Establish a dedicated housing trust fund.*	X
Create an inclusionary housing incentive fund.*	
Strengthen and expand inclusionary zoning.	X
Streamline land use standards for affordable housing projects.*	X
<p style="text-align: right;">Increase by-right zoning (via housing overlay, upzoning, etc.)</p> <p style="text-align: right;">Support land use regulations that support dense, walkable places.*</p>	X
<p style="text-align: right;">Reduce or eliminate parking requirements.</p> <p style="text-align: right;">Enact high-density and multifamily zoning.</p>	X
<p style="text-align: right;">Establish density bonuses.</p>	X
Expand accessory dwelling apartments.*	X

# Modest Growth In Affordable Housing Funding In FY 2018



Note: All Other Affordable Housing Programs includes Dept. of Housing and Community Development, Preservation Fund, DC Housing Authority Subsidy excluding Permanent Supportive Housing, and Home First Program (Dept. of Behavioral Health). All figures adjusted for inflation.

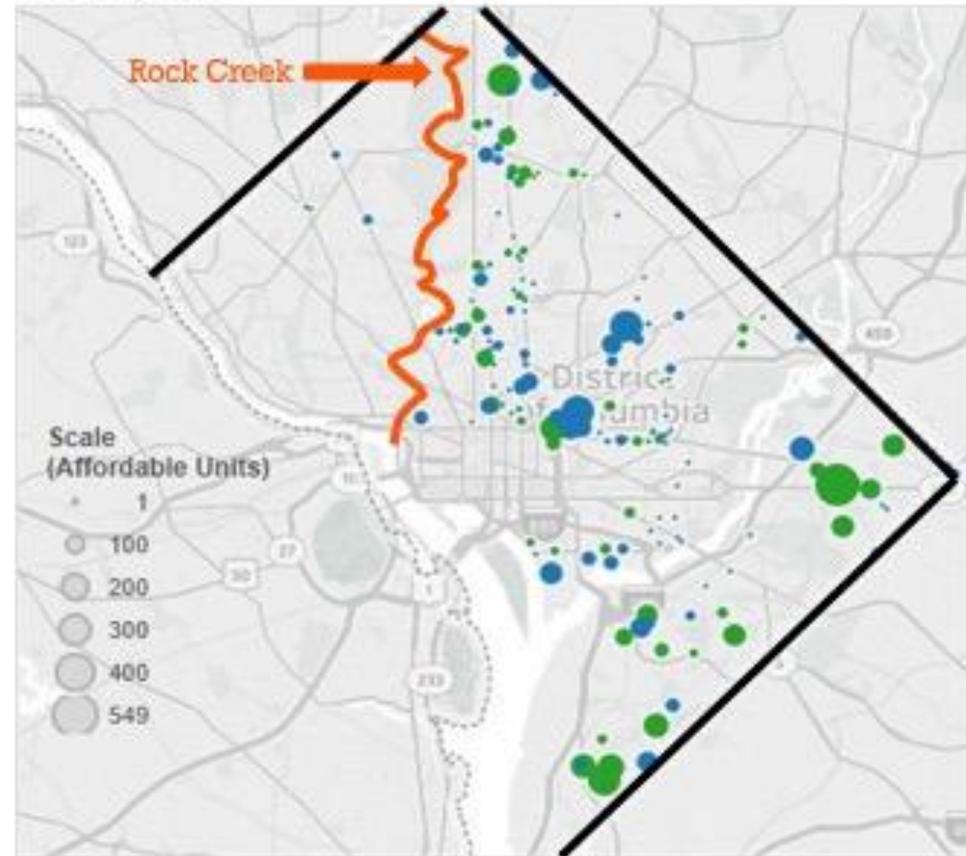
Source: Fiscal Year 2015-18 Budget & Financial Plans; Committee Reports.

- ANTI-DISPLACEMENT
- Adopt green building techniques and standards for new projects.\*
- Streamline development review and permitting processes
- Directly support nonprofit organization housing.\*
- Fund AND another \$100M+ in other affordable housing programs
- Promote affordable housing programs and preservation
- Preservation ordinance or zoning overlay
- Specialty Housing Voucher Program
- RAD Pilot Projects
- TOD acquisition fund
- Other predevelopment resources
- TENANT OPPORTUNITY TO PURCHASE
- Citywide Rental Registry
- Commercial Linkage
- Homeless Services and Prevention

# Despite the tools and \$\$

- Patterns of segregation by race and income were reinforced in some parts of the city
- While huge changes came to the most accessible, diverse areas

Affordable Housing Completed & Under Construction  
Through May 2017



## Project Status

■ Completed 2015 to Date ■ Under Construction

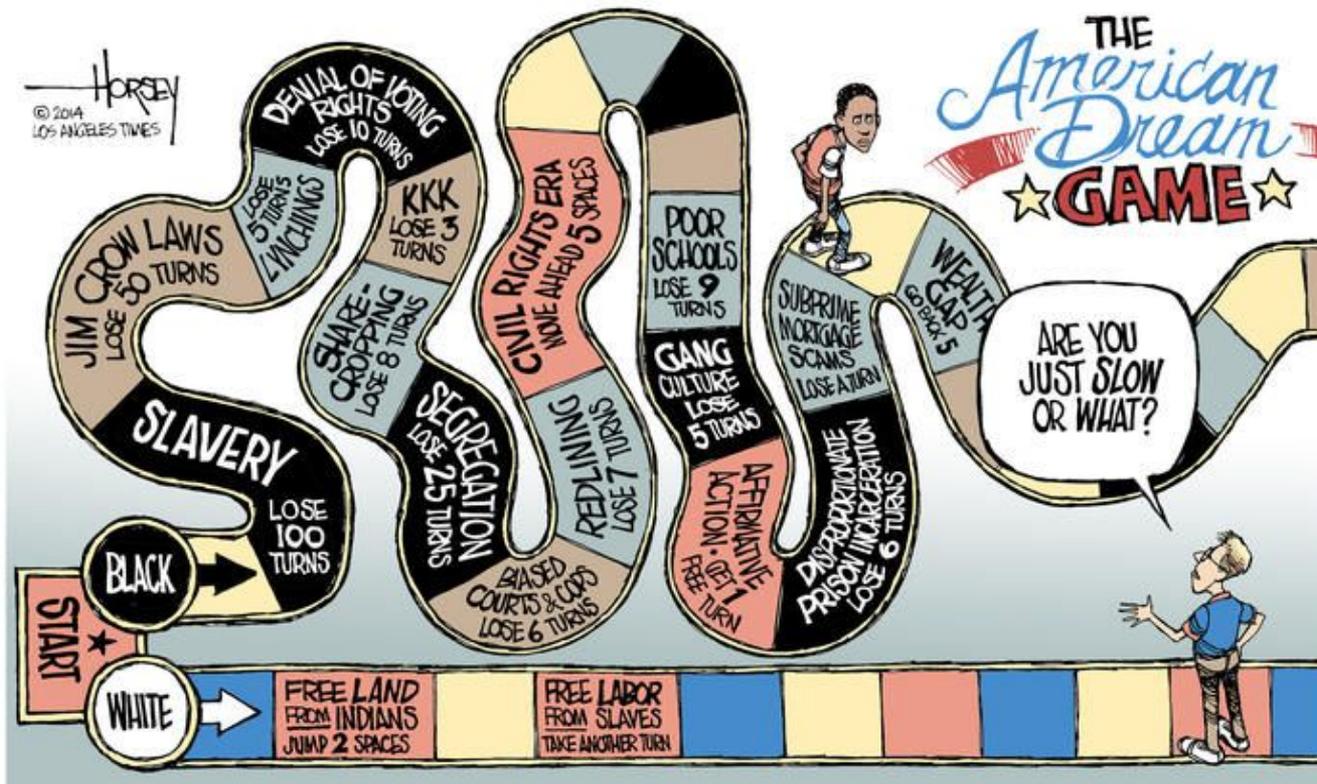
Source: DC DMPED Economic Intelligence Dashboard (Red Line Added)

# Mapping Smart Growth Efforts to Equity Values

EQUITY VALUE					Barriers to Success
#1 INCLUSION NOT EXCLUSION	#2 GROW OPPORTUNITY	#3 INCREASE ASSETS	# 4 DISMANTLE BARRIERS		
<p><i>Example</i> 10 BLOCK RE-DEVELOPMENT: COLUMBIA HEIGHTS</p>	Used city-owned land to preserve existing and create new permanent affordable housing	<p><i>Set-aside retail sites for small and local biz</i></p> <p><b>Universal Pre-K</b></p>	<p><b>Increased values for long-time owners</b></p> <p>TOPA</p> <p><b>ADUs</b></p> <p>Homebuyer Assist</p>	<p><b>Banned the box</b></p> <p><b>Increased min wage</b></p> <p><b>Decriminalized MJ</b></p> <p><b>Capped rate of property tax increase + absolute cap for LMI seniors</b></p> <p><b>Mandatory Paid S/L</b></p>	
	Original plan: product of local CDC	New transit/ accessibility			
	<p><b>Inclusionary zoning</b></p> <p>Increase Affordable Hsg \$ to &gt;\$120M/yr</p>				



# Why we need to focus on Equity



Source: David Horsey / Los Angeles Times

# Integrating housing with development plans

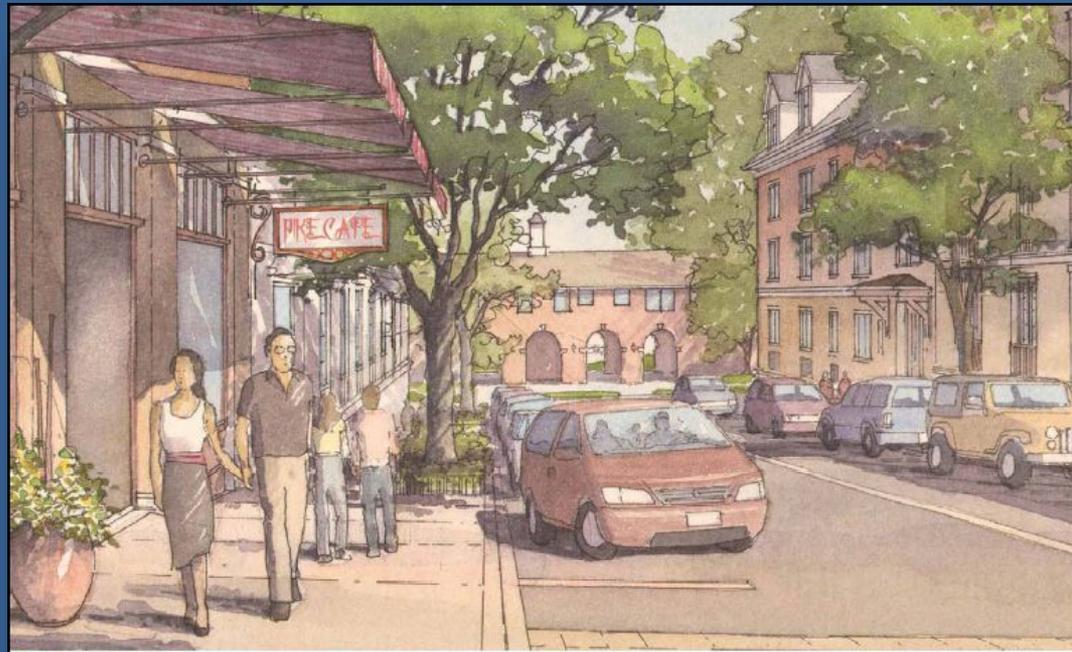
1. Inventory -- mapping what you have, understanding the extent of your problem.
2. Estimate – model the impact of potential price rises on the inventory of market-rate units.
3. Set goals and targets.
4. Integrate goals, targets into development implementation.
5. Tracking performance, making adjustments.

# Integrating housing with development plans

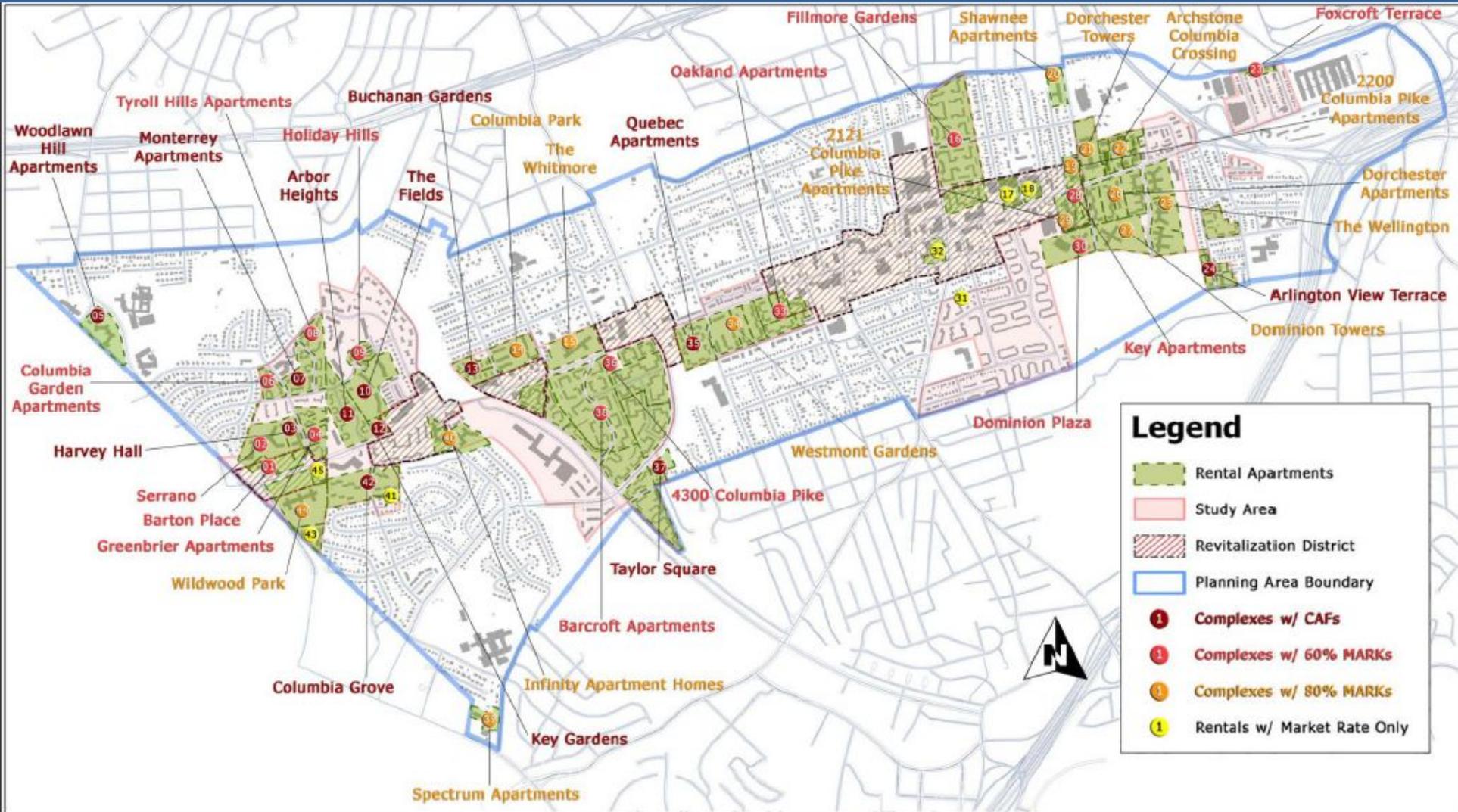
- Combine housing goals with land use plan
- Incorporate tools with development incentives

## Columbia Pike Initiative:

- FBC
- Housing goals
- Tools

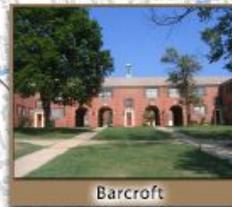
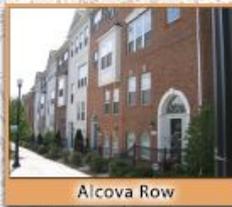
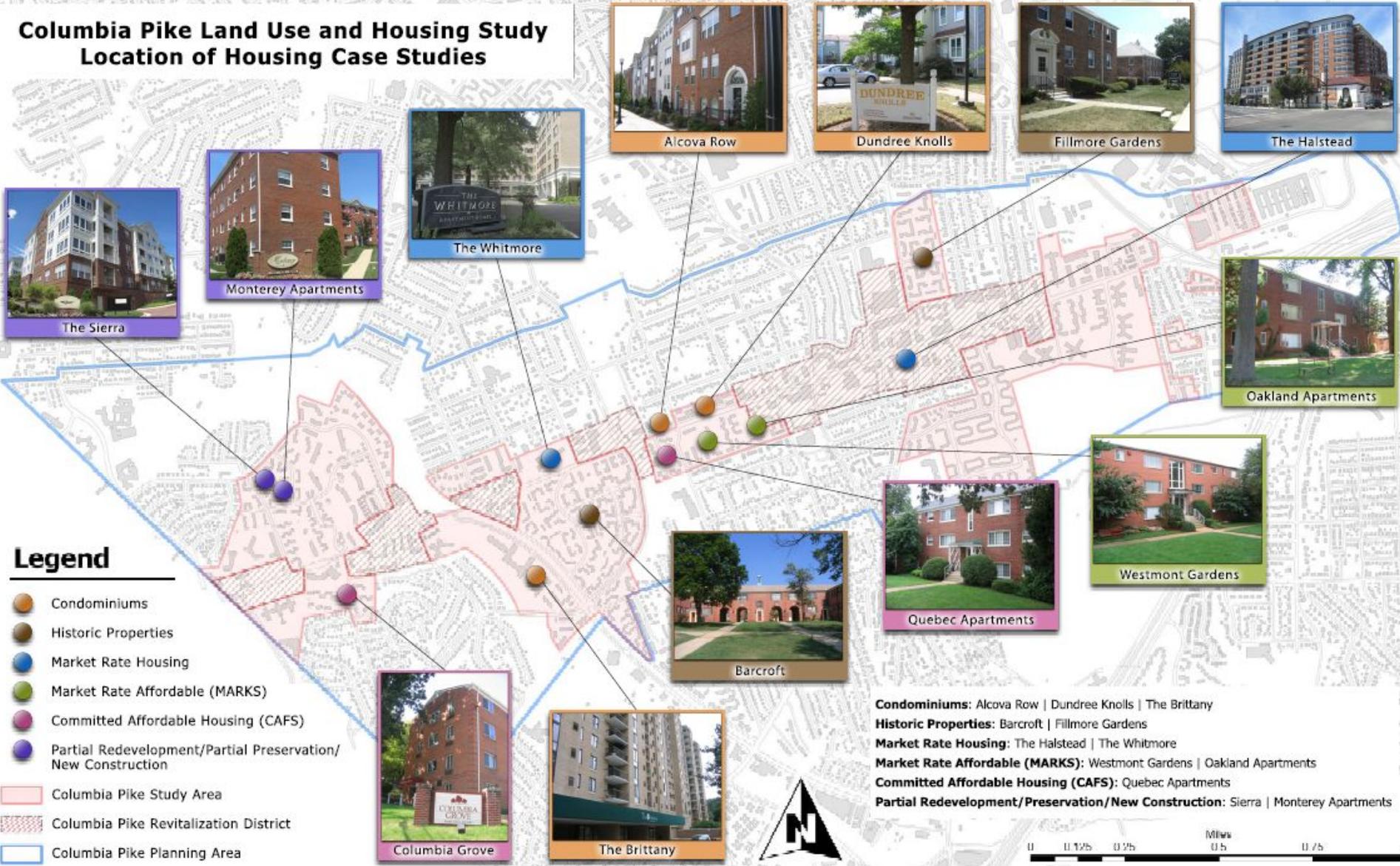


# The Housing Inventory



# Columbia Pike Land Use and Housing Study

## Location of Housing Case Studies



### Legend

- Condominiums
- Historic Properties
- Market Rate Housing
- Market Rate Affordable (MARKS)
- Committed Affordable Housing (CAFS)
- Partial Redevelopment/Partial Preservation/  
New Construction

- Columbia Pike Study Area
- Columbia Pike Revitalization District
- Columbia Pike Planning Area

**Condominiums:** Alcova Row | Dundree Knolls | The Brittany  
**Historic Properties:** Barcroft | Fillmore Gardens  
**Market Rate Housing:** The Halstead | The Whitmore  
**Market Rate Affordable (MARKS):** Westmont Gardens | Oakland Apartments  
**Committed Affordable Housing (CAFS):** Quebec Apartments  
**Partial Redevelopment/Preservation/New Construction:** Sierra | Monterey Apartments

# Affordable Housing Supply & Demand

Income range:	Rental Households:	HG & HCV:	CAF's	MARKS	Gap:
< \$35K	2,986	1,000	0	0	1,986
\$35K-\$50K	1,292	0	230	1,200	-138
\$50k-\$75k	2,449	0	890	1,800	-241
\$75-\$100k	1,129	0	84	3,200	-2,155
Total	7,856	1,000	1,204	6,200	-548

- *7,856 Total Households includes rental units within the general Columbia Pike Planning Area*
- *Some of the rental units may be located within single family homes, condos or townhouses*
- *Up to 40% of CAF units are occupied by HG & HCV households creating an overlap.*

Source: 2010 Census and CPHD

# Housing: Projected losses

	2010 Baseline	2040 Projection
<b>Market Rate (above 80%)</b>	<b>1,714</b>	<b>14,800</b>
40% MARKs	0	0
50% MARKs	1,200	0
60% MARKs (at/below 60%)*	1,782	0
80% MARKs (60-80%)	3,213	2,700
<b>Total MARKs</b>	<b>6,200</b>	<b>2,700</b>
40% CAFs	0	250
50% CAFs	230	460
60% CAFs*	890	4,190
80% CAFs	84	700
<b>Total CAFs</b>	<b>1,200</b>	<b>5,600</b>
<b>Total Units</b>	<b>9,113</b>	<b>23,100</b>

# Affordable housing policies and tools

*Ambitious goal –  
Zero net-loss of affordable housing*

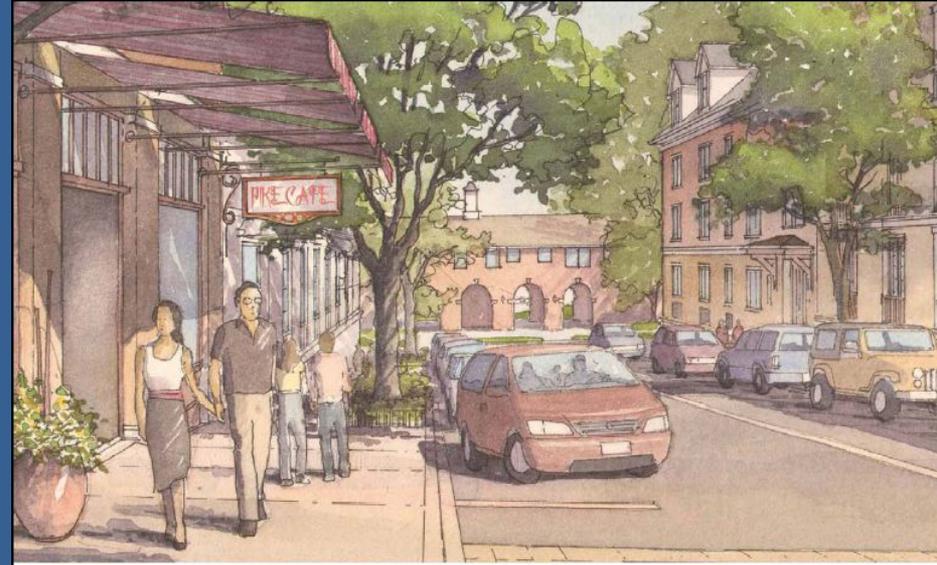


COLUMBIA PIKE  
**NEIGHBORHOODS**  
AREA PLAN

- Preserve approximately 6,200 affordable housing units for people and families who can afford 40-80 percent area median income (AMI)
- Improve the built environment along the Pike, while strengthening neighborhood character
- Expand and improve the street, bike & pedestrian network

# Tools

- FBC Inclusionary requirement
- TDR
- Bonus height
- TOAH & TIF
- AHIF (revolving loan fund)
- Tax credits (LIHTC & Historic Pres.)
- Parking relief
- Leveraging public land



COLUMBIA PIKE  
**NEIGHBORHOODS**  
AREA PLAN

# “The Shell”



# Arlington Mill Residences



Four-story, 122-unit complex, 100% affordable, includes 98 two- and three-bedroom units to support larger families, 13 units designated for formerly homeless individuals and families.

# “Columbia Hills”

Under construction: 229 units of affordable apartments



# Zoning for Revitalization Without Displacement

**Using Community Land Trusts (CLTs) to limit displacement**  
“Power in the Land”

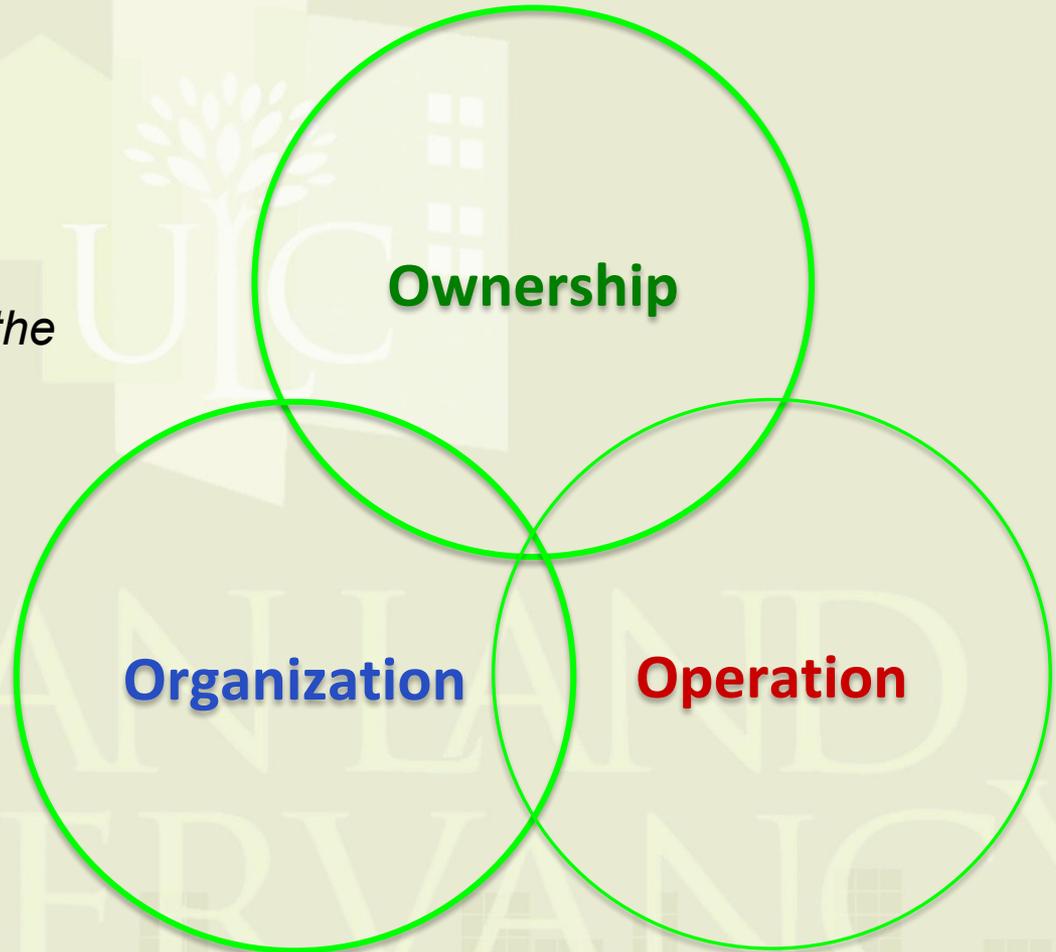
# Urban Land Conservancy (ULC)



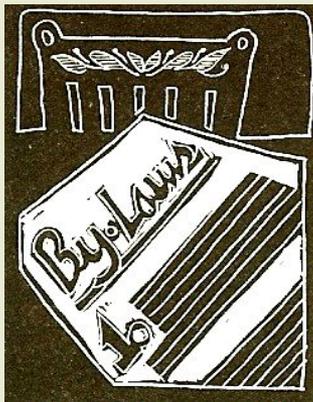
- 501(c)(3) and supporting organization to The Denver Foundation, established 2003, staffed 2007
- Mission: To acquire, develop, and preserve urban community assets in Metro Denver
- Initial **\$15M seed capital** investment from Gary Community Investments: has leveraged over **\$70 million in 28 real estate investments**. These 28 properties have leveraged over **\$500M in redevelopment**, serving over 10,000 low and moderate income people
- 900 full and part-time jobs are supported by ULC real estate investments
- Promote community development; strengthen neighborhoods through preservation of key areas of influence to ensure their continued public benefit
- Acquire strategic sites in anticipation of market changes through land banking along transit corridors
- Use the **Community Land Trust (CLT) 99 year land lease** with partners to ensure permanent stewardship of the improvements/buildings.

# Community Land Trust

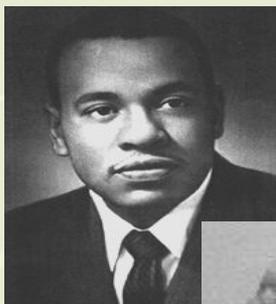
**Trust** – *Noun: A legal title to property held by one party for the benefit of another.*



# Roots of The Community Land Trust



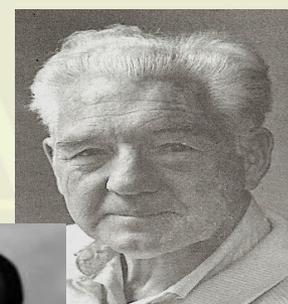
- Nonprofit corporation holding the land
- Membership open to anyone residing within a geographically defined Community
- Balance of interests on the governing board



Slater King



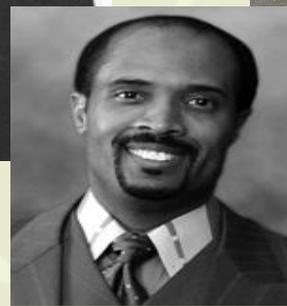
C.B. King



Bob Swann



Fay Bennett



Charles Sherrod

# Typical CLT Model

## Community Land Trusts: *How do they work?*



Buildings (residential or commercial) are owned by individuals. Because they pay only for the structure, and not the underlying land, purchasing the building is more affordable.

Land is owned by the Community Land Trust, which is governed by a non-profit board.



A 99-year ground lease between CLT and owner ensures owner-occupancy and responsible use and outlines fees paid to the CLT.

A resale formula built in to the ground lease is designed to keep homes affordable for subsequent buyers.

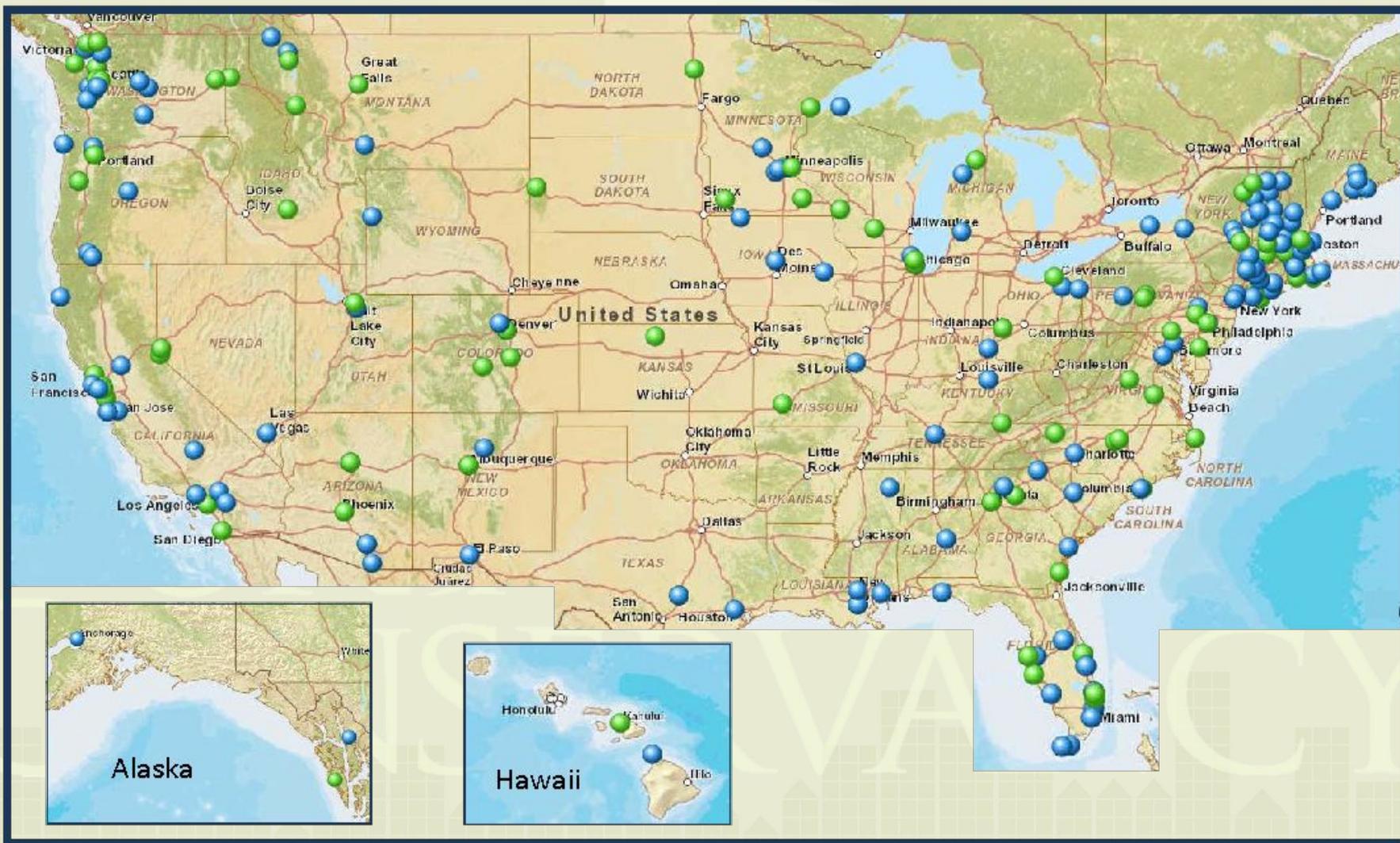




# US Directory of CLTs

● = Network Member

9.10.2011



# Revitalization with Displacement: Metro Denver's RTD FasTracks Build Out Plan

PROGRESS MAP



- 122 miles of new light rail and commuter rail
- 18 miles of Bus Rapid Transit (BRT) service
- 31 new park-n-Rides; over 21,000 new spaces
- Enhanced Bus Network & Transit Hubs (FastConnects)
- Redevelopment of Denver Union Station
- 50+ new rail and/or BRT stations for Transit Oriented Communities opportunities

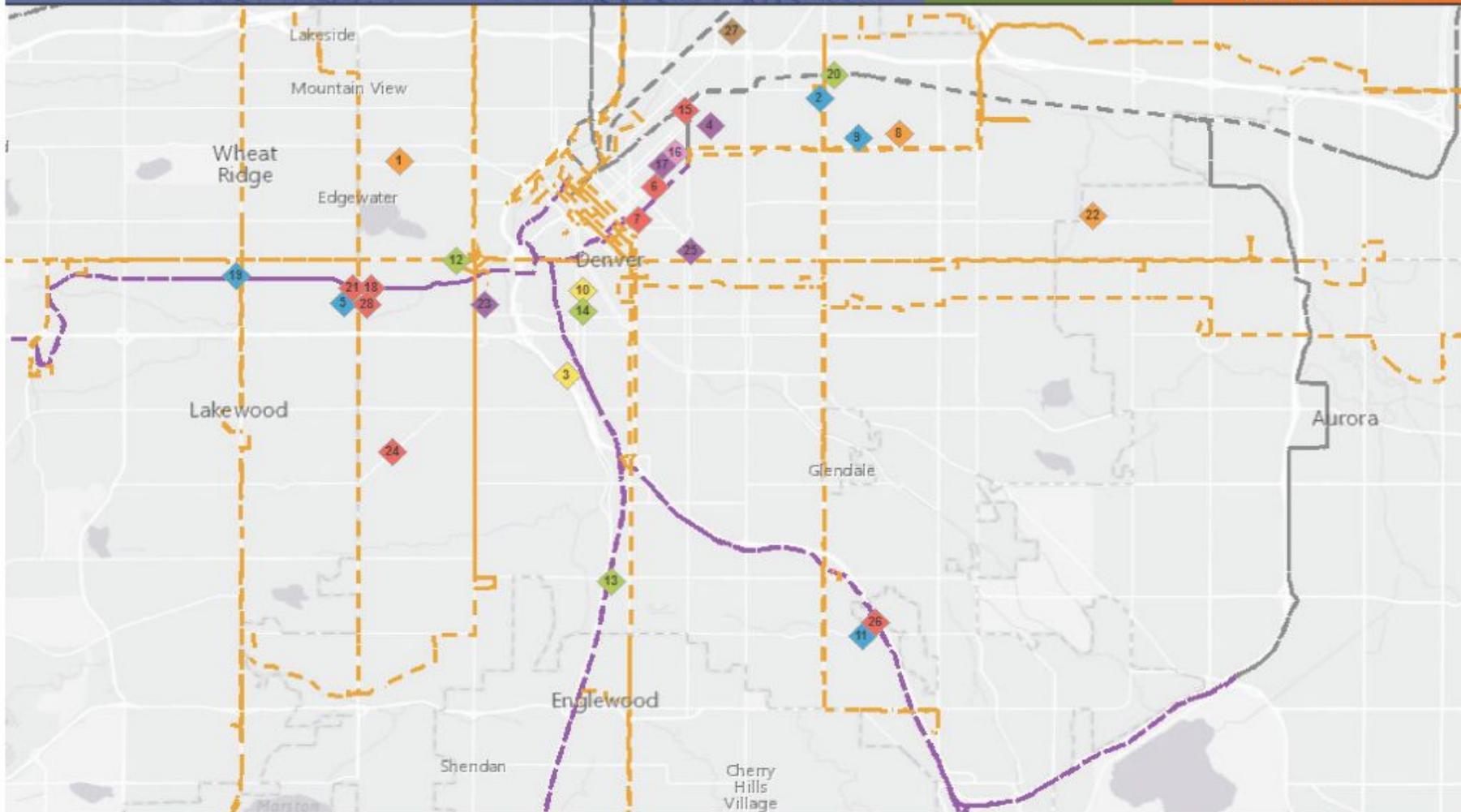
# investments



# URBAN LAND CONSERVANCY

**Mission:** ULC acquires, develops, and preserves community real estate assets in urban areas for a variety of community needs such as schools, affordable housing, community centers, and affordable office space for nonprofits.

[URBANLANDC.ORG](http://URBANLANDC.ORG)



**ULC Investments**



Land



Affordable Housing



Affordable Housing and Commercial



Nonprofit Facility



School and Nonprofit



Bridge Loan



Community Center



Land and Commercial



## Denver's first multifamily CLT Jody Apartments 2007

- Jody Apartments, 62 permanently affordable rental units, less than 300 feet from the Sheridan transit rail station along the West Corridor
- ULC owns 2 acres of land using the 99-year CLT ground lease with a local nonprofit that owns the improvements
- Future redevelopments will have at least 200 mixed income apartments & 25,000 sf of commercial/ community space
- ULC's CLT is the steward of this redevelopment, ensuring it will have long term community benefits including affordable housing and nonprofit space.
- Phase 1 Awarded: 135 permanently affordable apartments.



## Holly Square: Denver's first commercial CLT



- In 2009 ULC purchased and completed demolition of a fire bombed former shopping center on 2.6 acres
- With support of ULC and the Denver Foundation's Strengthening Neighborhoods Program, residents of northeast Park Hill joined community-wide action group, Holly Area Redevelopment Project (HARP), to determine how best the site should be redeveloped equitably
- Equitable redevelopment came with the completion of the new Boys & Girls Club Center, opening in the Fall 2013 under a 99 year ground lease with ULC 😊
- Second phase of the Holly redevelopment came in July 2016 with the opening of Roots Elementary, also under 99 year CLT land lease.

# “A Line” at Blake Station: Transit Oriented Development with a Multi-Family Affordable Housing CLT



- **1.4 acre property on A Line purchased in 2011**
- **Land Price = \$1,700,000 - property value has more than quadrupled in 5 years!**

# A Line Station at 40<sup>th</sup> & Colorado Station: Equitable Transit Oriented Development with a CLT

## Park Hill Village West

- March 2013 – ULC purchases 9.4 acre property for **\$6M using the TOD Fund and \$1.2M in PRIs**
- June 2014 – Completed 7 month (13 meetings) community planning process = options for mixed use development of 6.7 acres at est. total development costs **\$65M - \$80M**
- July 2014 – Phase 1 Sale of 2.7 acres to private developer DelWest for \$2.1M for affordable housing.
- April 2016 – **Park Hill Station Completion** - \$30M Phase 1 by DelWest of 156 permanently affordable apartments + local workforce training pilot
- April 2016 – **A-Line Commuter Rail opening**
- December 2016 – **ULC signs development agreement for additional 3 phases including housing and a commercial CLT**



# North Metro Commuter Rail Station: Equitable Transit Oriented Development with a CLT

**Overview:** ULC was approached by the City of Denver to acquire an industrial site in the Elyria-Swansea neighborhood. This 6 acre property could address the neighborhood's affordable housing needs due to the anticipated loss of homes as a result of the proposed I-70 corridor changes and address displacement with the \$1B+ in investment planned for the National Western Center development.

**Project Concept:** Master site development that will incorporate a multi-family, mixed-use, mixed-income development including a CLT. The site is strategically located 2 blocks from a future rail station on the North Metro rail line.



# Thank You!

**Aaron Miripol**  
**[aaron@urbanlandc.org](mailto:aaron@urbanlandc.org)**

