

# **Downtown Alive: Addressing Three Key Barriers to Redevelopment in Small Downtowns Conference Presentation**

*12 March 2015*

# Agenda



## **Downtown Residential**

1. Overview: Why is Housing Needed?
2. Barriers
3. Case Studies



# **Why is Housing Needed?**

# Why is Housing Needed?

- Rooftops support retail!
- Don't forget about office: Overall jobs/housing balance in the community...and in downtown
- They all need to be in downtown



# Why is Housing Needed?

- Keeps from building on virgin land – in Colorado – the great outdoors that we value so much!
- Services more concentrated (to provide services for small communities)
- Keep dollars in local economy
- If have lower tourism dollars, need DT residents to keep the lights on/the doors open
- Reduce Vehicle Miles Travelled (VMT) / Emissions
- Reduce childhood obesity...kids can walk to school safely again!

# Why is Housing Needed?

## It's pretty basic

- It is a critical cog in the economic engine of downtowns
  - Increase property values
  - Increase sales tax revenue
  - Keep it local!
- Support a socially and psychologically healthy heart to a city and a region
- Without housing downtowns are dead on weekends and in the evening
- Helps maintain vibrant *places for people*



# Barriers

# Barriers

1. Regulatory
2. Leadership/Political Will
3. Perception of “Density”
4. Perception that folks won’t want to live near commercial!



# Barriers

- **Regulatory**
  - Zoning must permit housing in Downtown
  - Zoning must permit mixed use
    - e.g. residential over retail-exactly how the older main street buildings were originally utilized!
  - Be flexible – historic hotel converted to apartments or condos



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## Peek at a grand transformation

Leadville's historic Tabor hotel officially reopens as a \$9 million renovated apartment complex – and possibly opens doors to more downtown ideas.

2015. The building now contains 37 residential units, a leasing office and common spaces. **Overland Property Group**

# Barriers

- **Leadership/Political Will**
  - Have a plan
  - Have to agree to focus energy on downtown and immediate neighborhoods
- Incentivize development
  - Expedited approval process
  - Reduced application fees
  - Low Interest loans
  - Joint development
  - TIF



# Barriers

- **Perception of Density**
  - Need Variety:
    - Single Family homes
    - Rowhomes/Townhomes
    - Condominiums
    - Apartments
    - Senior...in all of the above

# Typical Densities

## Single Family Detached Housing

- ▶ 7-8 DU/AC (dwelling unit per acre)
- ▶ 3,125-6,250 sf lots



## SFA – Rowhomes / Townhomes

- ▶ 12-24 DU/AC
- ▶ 1,250 - 3,125 sf lots



## Apartments / Condos / Senior

- ▶ 25-35 DU/AC
- ▶ 2-4 stories
- ▶ Often primarily surface parked, may be some tuck under parking



# Barriers



- **Perception that folks won't want to live in DT**



# Case Studies

# Case Study: East Chicago DT

## East Chicago, Indiana

- Existing Context:
  - Population: 29,200
  - Median HH income, 2008-2012: \$27,171
  - Persons below poverty level, 2008-2012: 36.5%
  - Downtown Buildings: Vary from 1-4 story in height
- Project:
  - Infill Townhomes





# Case Study: East Chicago DT

## East Chicago, Indiana

- Project: Infill Townhomes
  - Number of units: 125
  - Density: 18 du/acre
  - Number of stories: 2-3
  - Rents: \$300-900/month
  - Mostly 2-3 bedroom, no 1, some 4





# Case Study: East Chicago DT

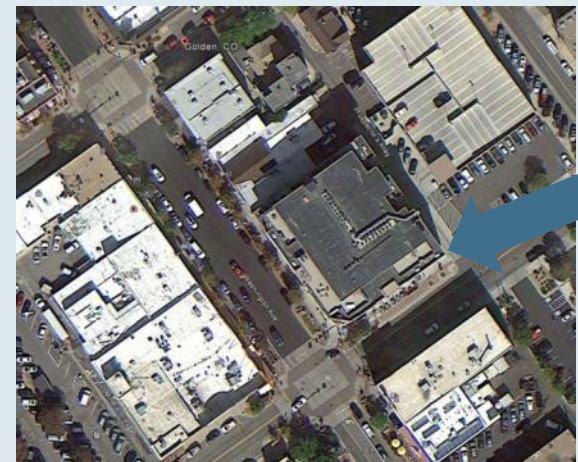
## Making it Happen

- Began in 2006
- Regulatory Change: No, utilized existing zoning
- Partners:
  - The Community Builders
  - Hispanic Housing Development Corp.
  - Regional Development Agency (RDA)
  - City of East Chicago
- Money?!
  - 2009 tax credits for TH
  - RDA – riverboat gambling money
  - HUD – creative agreements
  - Neighborhood Stabilization Program (NSP) funds (to City and TCB)

# Case Study: Gateway Station

## Golden, Colorado (#1-Gateway Station)

- Existing Context:
  - Population: 19,300
  - Median HH income, 2009-2013: \$57,800
  - Persons below poverty level, 2009-2013: 15.5%
  - Downtown Buildings: Vary from 1-5 stories in height
- Project:
  - Infill Condominiums/MU
  - “Gateway Station”



# Case Study: Gateway Station

## Golden, Colorado

- Project: Infill Condominiums/Mixed Use
  - Number of residential units: 35
  - Retail: 15,000 sf
  - Density: ~70 du/acre
  - Number of stories: 5
  - Price Point: \$400k-\$1M/unit
  - Mix of 1-3 bedroom units



# Case Study: Gateway Station

## Making it Happen

- Began in 2005; CO in 2008; fully-leased and sold in 2013
- Regulatory Change: Replatted and zoned as PUD
- Partners:
  - Developer: NexCore Group
  - Builder: Neenan
- Money!
  - Mix of private equity, debt, charitable loan, GURA TIF financing, US EPA grant, CDPHE Revolving loan



# Case Study: Millstone

## Golden, Colorado (#2-Millstone)

- Project: Infill Condos
  - Number of units: 78 in three buildings
  - Density: 43 du/acre
  - Number of stories: 3 over parking
  - Price Point: \$400,000-\$600,000
  - Mix of 1, 2, 3 bedrooms





# Case Study: Millstone

## Making it Happen

- Began in 2000, construction 2004, phased until 2007
- Regulatory Change: Developer created a PUD to get extra height – C-2 max.-50', needed 57'
- Partners:
  - Developer: oh about 3: bankruptcies, lawsuits, construction defect litigation, etc. – units still sold for cash
- Money?!
  - GURA purchased land then donated to developer
  - Private equity and debt



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