

TOD & Community Development



What is TOD?

- *Community development that includes a mix of housing, office, retail and/or other commercial development and amenities integrated into a walkable neighborhood and located within a half-mile of quality public transportation*

TOD Benefits:

- Reduced household driving leading to lowered regional congestion, air pollution and greenhouse gas emissions
- Communities that encourage more healthy and active lifestyles
- Increased transit ridership and fare revenue
- Improved access to jobs and economic opportunity for low-income people and working families
- Expanded mobility choices that reduce dependence on the automobile, reduce transportation costs and free up household income for other purposes

TOD in Denver



- FasTracks was approved by Denver Metro voters in 2004
- Enterprise and FRESA conducted a report to help make the case for change
- Low-income families in Denver spend **60%+** of income on housing and transportation alone
- Enterprise and FRESA concurrently worked with RTD on TOD development policy, passed in 2010

Denver TOD Fund: History

Issue: Region's Low-Income, Minority, and Senior Community Members are at risk:

1. Increased housing cost
2. Gentrification/displacement
3. Isolation from community

Concept: *How can my community create the housing and facilities we need near transit without significant government resources?*

Denver TOD Fund: Goals

- **Goal: Preserve and create over 1,000 units of affordable housing units near transit through property acquisition and land banking**
- \$15 million, 10 year fund, 3.4% fixed interest rate to Urban Land Conservancy
- Prevent gentrification pressures from displacing current residents
- Ensure access to jobs, education, community services, healthcare via transit

Villa TOD Preservation



Denver TOD Fund: Partners



DENVER
THE MILE HIGH CITY



MacArthur
Foundation



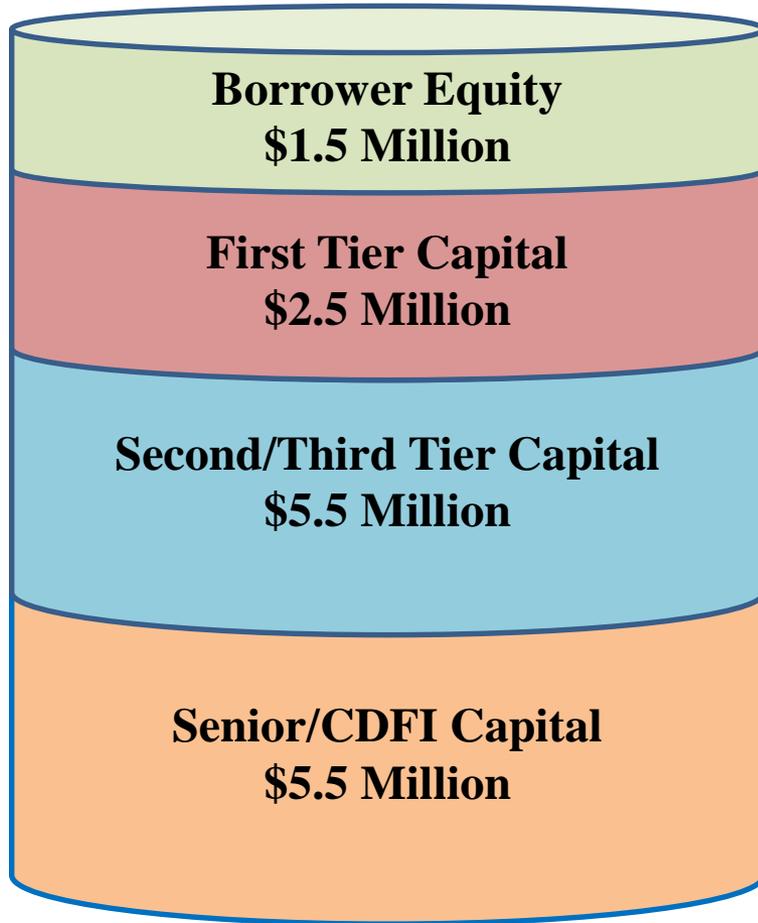
1STBANK



**WELLS
FARGO**



Denver TOD Fund: Structure



Structure blends risk and return

← Urban Land Conservancy

← City and County of Denver

← Enterprise Community Partners,
MacArthur Foundation, CHFA,
Rose Community Foundation

← Enterprise Community Loan Fund,
US Bank, Wells Fargo, First Bank

Denver TOD Fund: Structure

- **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

Denver TOD Fund: Accomplishments

Since Closing April 2010:

- *7 acquisition loans made
 - *\$9.3 million deployed
 - *New public library
 - *2 loans repaid and ready for re-deployment
 - *470 homes preserved/created
 - *40,000+ SF supportive commercial space
- ... All in proximity to high-frequency transit*

Mile High Vista TOD Site



Current Projects: Mile High Vista

Project Costs:

- Land Purchase & Holding costs: \$2.75m
- Design & Planning: \$500,000
- Remediation & Infrastructure: \$2m
- Total: \$5.25 million

Development Costs:

- Library: \$10m
- Housing: \$15m
- Commercial: \$2m
- Total: \$27 million

Jobs Created:

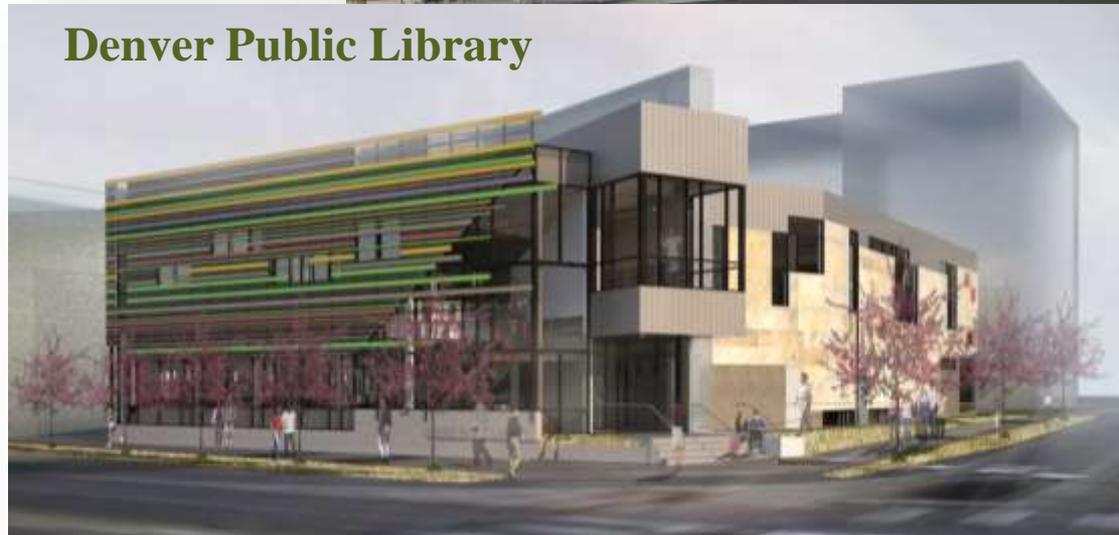
- 125 temporary (construction)
- 65 permanent

Total Cost: \$32.25 million

Housing Developed by Del Norte



Denver Public Library



Current Projects: Yale Circle



- 1.2 acres of vacant land located next to the Yale light rail station
- Along existing southeast rail line
 - 90% of land value covered by Denver TOD Fund
 - Preliminary plans include 70 units
 - Total Development Costs = \$11.5 million



YALE PLACE TOD CHARETTE CONCEPT

DENVER, CO | NOVEMBER 14, 2011 | SIMON LAND CONSULTANTS, NORDREY AND COMPANY & MILE HIGH DEVELOPMENT

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SIMON LAND CONSULTANTS

VAN METEY WILLIAMS POLLACK

Current Projects: Jody Apartments



- 300 ft. from the Sheridan transit station
- Total acquisition and rehab: \$3.25 million = \$52,400 per unit/ \$36 sq. ft.
- 62 apartments serve 100 residents, 12 units are reserved for 30% AMI
- Future redevelopment at least 200 mixed income apartments & 25,000 sq. ft. of commercial/community space

Current Projects: Alameda Station

- Selected by RTD for TOD Pilot Program
- Transform a former industrial site into a high quality TOD development that re-establishes the urban fabric of the neighborhood
- Will examine:
 - Joint development
 - Flexible land options
 - Strategic parking management
- Implemented re-zoning to enhance neighborhood livability



Denver TOD Fund: Future

Enhancing the TOD Fund's Impact:

- Explore expansion of fund to \$15 million in Denver, and \$30 million for region
- Continue to focus on funded lines while advocating for entire transit system build out
- Create additional mixed-use/mixed-income properties
- Support ULC and development partners in building capacity

TOD In Other Regions

Seattle

- Actively engaging in TOD projects with affordable housing components
- Similar to Denver, Seattle's transit system is expanding, and the city is implementing affordable housing along with these new transit areas

Los Angeles

- Working with METRO, California Endowment and California Community Foundation, furthering legacy of swaps and good practice

The Bay Area

- TOAH Fund: \$50 million multi-purpose fund created
- Evolution of policies and practices led to direct investment in equitable development near transit

Atlanta

- Atlanta Regional Commission (ARC), is part of a new partnership called the Atlanta TOD Collaborative
- A majority of MARTA rail stations are located within an ARC Livable Centers Initiative area
- Policy states 20% affordability goal



Permanent Financing

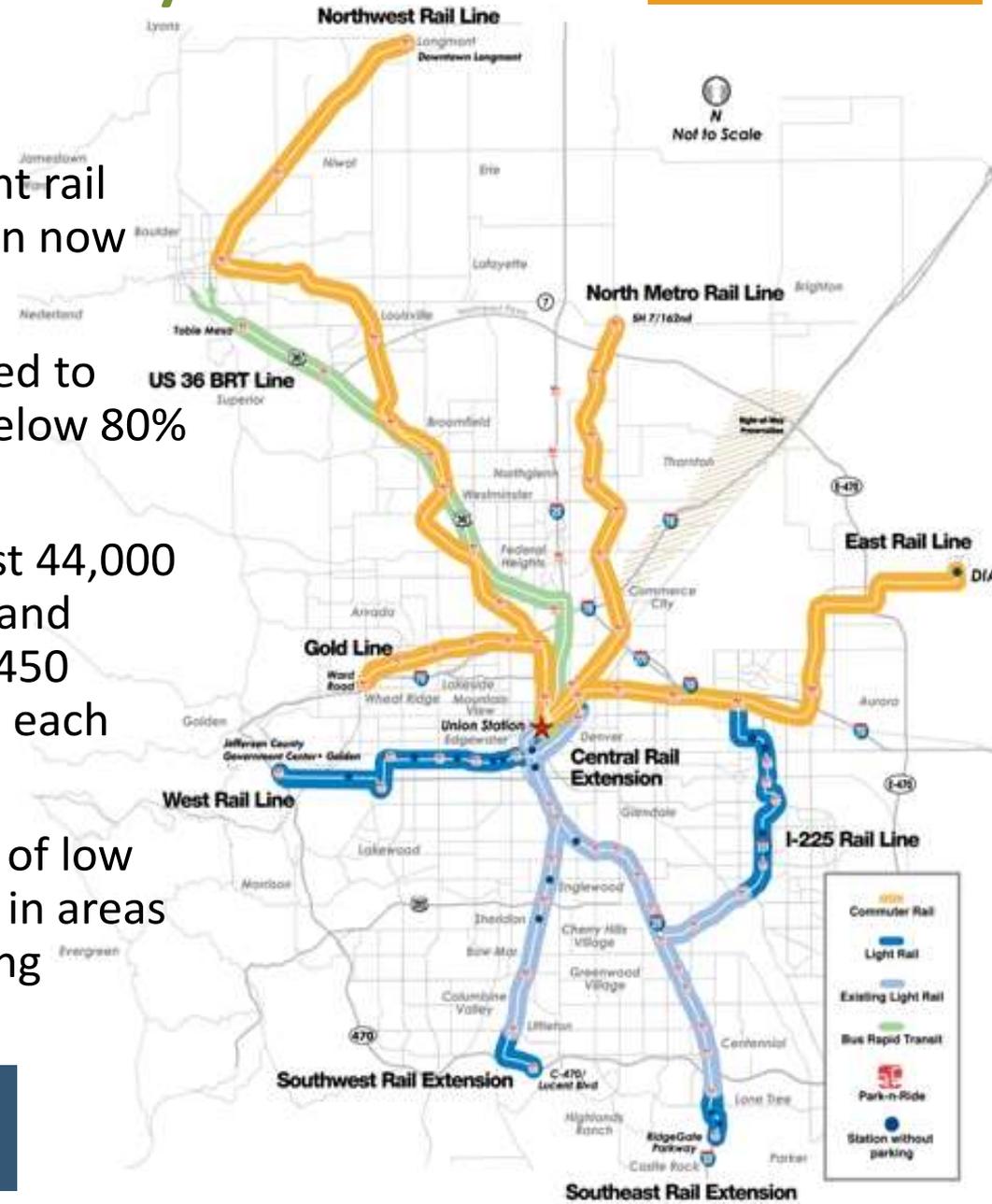
Creating long-term affordability through land use regulations and restrictions

- Low-Income Housing Tax Credits
 - Utilized for creating and maintaining rental housing for low and very low income households
- Tax-Exempt Bonds
 - Used to finance new and existing projects that are in need of rehab
- CHFA Qualified Allocation Plan
 - Places TOD projects as a priority in receiving LIHTC

Preserving Affordability in Denver

Need:

- Demand for housing near a light rail station will grow 344% between now and 2030
- 40% of this growth is anticipated to come from households at or below 80% AMI
- Translation: demand for at least 44,000 affordable homes near transit and average potential demand for 450 additional affordable homes in each station area by 2030
- Looking to avoid displacement of low and moderate income families in areas where new transit leads to rising property values



Challenges & Ideas to Preserve Affordability

- Linking Tools & Policies:
 - Early Warning System:
 - A system created to alert the city when existing income-restricted housing developments are preparing to lift affordability restrictions
 - Goal is to have the option to purchase these properties to ensure that they continue to be affordable in the long run
 - System thus far proves largely ineffective
 - Enforce existing and enact new policies to promote affordable housing
 - Accomplished through acquisition, affordable housing finance programs, and collaborate with various state, regional and local agencies to incent preservation and development
 - Ensuring DRCOG's and City of Denver's housing plans address the needs of disadvantaged populations
 - Expand the Denver TOD Fund into a Regional tool
 - Making an equally positive impact in the communities around Denver

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