The Land Acquisition Fund:
A Tool for Tough Economic Times
10-30-09

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Urban Land Conservancy (ULC)

About Us

• 501(c)(3) nonprofit, supporting organization to the Denver Community Foundation

• Established 2003, staffed 2007

• Capitalized by Gary Williams Energy Corp. (small private oil & gas company in Denver)

• Mission: To acquire, develop, and preserve community assets in urban areas in the Denver Metro area

• Currently invested in over $17 million in real estate, serving over 4,000 low income people annually
ULC Strategy

- Use real estate as a tool to benefit non profits in urban communities
- Promote community development; strengthen neighborhoods through preservation of key areas of influence
- Preserve community assets in existing or emerging neighborhoods to ensure their continued public benefit
- Acquire strategic sites in anticipation of market changes through land banking along transit corridors
- When possible use 99 year land lease with partners to ensure permanent public benefit
Over 4,000 people, over 80% of whom are very low income households, received services in 2008.

Residential housing served over 350 people in 2008 with 99% at very low and extremely low income (ELI) at or below 30% of the Area Median Income.

130 full and part-time jobs are supported by ULC properties.
Phillips Center & Wyatt-Edison School

Located in a high foreclosure neighborhood in northeast Denver, the Phillips Center was once a distressed property that occupies a full city block and currently houses seven nonprofits. ULC also has first right on Wyatt-Edison Charter school (insert), an 1880s historic building across the street (preservation and redevelopment).
Located along a bus route, ULC purchased this 4-acre campus in Northwest Denver in 2005 to preserve its long term use as a school. Tennyson is a K-12 school for emotionally and crisis-affected children and youth, particularly those suffering from abuse and neglect.

Strategically located in NE Denver next to the Hiawatha Rec. Center, Skyland Park, the Hope Center, and the Robinson Library, the Holly Square shopping center was irreparably damaged by fire in the summer of 2008. ULC purchased the Holly in 2009 and is partnering with the City, Strengthening Neighborhoods, and stakeholders to develop a community-minded plan ensuring the 2.6 acre site is developed and preserved as a neighborhood asset.
Tough Economic Times in Metro Denver

- 7.8% unemployment rate
- Metro Denver employers cut 9,400 jobs between June and July
- Decline of 3.7% in total nonfarm wage and salary employment from 1,427,800 to 1,367,400 jobs.
- Year to date Metro Denver foreclosures 15,682
- Multi-family vacancy 9.0%
- July 2009 Metro Denver existing home sales are down 13.3% from July 2008 figures
- Office vacancy rate rose to 14.8% in Metro Denver in 2009, a 12% increase from a year ago.
Opportunities during difficult economic times; Transit-Oriented Development (TOD) Fund

- Over next 10 years, the Regional Transit Department (RTD) will build FasTracks, a $4.7 billion initiative passed by the voters in 2004*.
  - 119 miles of rail lines, 60 new rail stations, and a network of bus feeder routes.
- Demand for housing within ½ mile of a light rail station will grow from 45,000 households today to 155,000 households in 2030, a 344% increase.[1]
  - 40% of this growth is projected to come from low income households, at or below 80% AMI ($57,450 for a family of four)
  - Up to 44,000 additional affordable homes added/preserved near transit
  - Demand for more than 700 additional affordable homes at each station area by 2030

Opportunities are now with real estate prices down to purchase land and buildings around transit corridors to preserve community assets

*Cost estimates to complete FasTracks are now over $6.9 billion!!!

How TOD Fund works

- Finance land and property acquisition to produce over 1,500 affordable homes over the next 10 years
- Provide patient high-risk capital quickly at low cost to a mission-driven entity (ULC) committed to affordable mixed-use development near transit
- Enable property to be purchased while prices are still low so that existing housing can be preserved or “land banked” for redevelopment for a period of up to five years.
- Ensure that when property values go up around transit sites, lower-income families are not forced out of the housing market.
How TOD Fund works (cont...)

- Purchase and hold sites for up to 5 years in anticipation of new transit stations
  - Initial $15 million in capital assembled, anticipated growth to $25 million over the next two years.
  - $25 million will leverage more than a $150 million investment, projecting to create 1,500 affordable homes regionally
  - 15% of the TOD Fund is focused on providing affordable homes for extremely low income households, below 30% AMI, or $21,550 for a family of four.

- Enterprise Community Partners is responsible for assembling loan capital, serving as fund manager, and is the largest investor
  - Enterprise is a national nonprofit with more than 25 years of experience in the community development and affordable housing field.

- City of Denver’s Offices of Economic Development and Strategic Partnerships are critical partners, providing resources of $2.5 million
  - City was also the recipient of the MacArthur housing preservation award of $2 million in Program Related Investment PRI and $250,000 grant for an early warning system for housing.
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<td>Second Loss</td>
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<td><strong>TOTAL</strong></td>
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Benefits of Transit-Oriented Development

- Ability to preserve land and buildings around transit corridors to ensure affordable housing is established
- The TOD Fund directly benefits low-income households that on average spend 60% of their gross income on housing and transportation expenses combined
  - Creates opportunities for wealth-building and greater access to employment and educational opportunities
- Increases ridership on public transit
- Reduces gentrification pressures
- Provides employers with access to an expanded workforce
- Smart growth infill development (high density) helps reduce negative environmental impact of sprawl
Located on a major transit corridor in NE Denver with a bus stop adjacent to the property and future light rail stop 2.5 blocks away. ULC, in partnership with the Colorado Coalition for the Homeless (CCH), purchased the site with the vision to redevelop it into a mix of affordable housing and other public uses. Currently leased to CCH, the property provides transitional housing for homeless families.
25th & Stout Street

Located two blocks from the 25th & Welton light rail station. This site is being reviewed by nonprofit housing providers to provide up to 20 work force rental apartments.

Downtown Parking Lots

Located one block from the 20th and Welton light rail station. ULC in partnership with St. Andrew’s Church is land banking these lots with a vision for a future mixed use redevelopment consisting of up to 60 permanently affordable apartments and 75,000 sq. ft. of commercial and facility space.
Regional Transportation District (RTD) West Corridor

- 12.1-mile light rail transit corridor between the Auraria Campus in downtown Denver and the Jefferson County Government Center in Golden, serving Denver, Lakewood, the Denver Federal Center, Golden and Jefferson County.

- West Corridor is currently under construction and is scheduled for completion in 2013.

- It will be the first corridor of the FasTracks program to be added to Denver Metro’s existing 5 lines.

- Costs to complete the West Line increased from $511,800,000 to $707,600,000 = 38.25% over 5 years.
The Sheridan Station is one of 11 new stations being constructed as part of the West Corridor. The West Corridor light rail will connect west Denver neighborhoods with employment centers in Jefferson County, downtown Denver and the FasTracks corridors linking the entire region.
Affordable Homes on the West Corridor

- There are **1,424** affordable homes within a ½ mile radius of the West Corridor light rail line today.
- The West Corridor will add roughly **15,000** total homes by 2030
  - If only 10% or **1,500** of these homes are affordable, it would double the number of affordable homes currently within ½ mile of the West Corridor
- According to an National Association of Home Builders (NAHB) model, the economic impact of building these affordable homes would be:
  - First year of construction: $109,500,000 in local income, $11,745,000 in taxes and other revenue for local government, and 2,265 local jobs.
  - Annual, ongoing local impacts: $33,000,000 in local income, $5,580,000 in taxes and other revenue for local government, and 570 local jobs.\[1\]

ULC TOD Assets

Located less than 300 feet from a future RTD light rail stop on the West Corridor, ULC has extended a 99-year land lease to a nonprofit, NEWSED, that bought the improvements on the site: four rental buildings serving over 100 residents. NEWSED designated 52 of the 62 apartments as permanently affordable, with 12 of the 52 committed to households at 30% AMI and below.
Sheridan Land Use and Urban Design Concept

Proposed Land Use
- Mixed Use
- Station Residential
- Urban Residential
- Lakewood Dry Gulch

Existing Plans and Zoning
- Lakewood Station Plan
- Existing Main Street Zoning MS-1
- Existing Main Street Zoning MS-2
- Existing Main Street Zoning MS-3

Area Features
- West Corridor Light Rail Line
- Light Rail Station
- Denver/Lakewood Boundary
- RTD Parking Structure
- Active Building Street Frontage
- Section Lines
Future of TOD Fund

- TOD Fund addresses less than 5% of the Metro Denver affordable/work force housing needs.
- Expand to at least $25 million by 2012
- Need investments from other local municipalities beyond Denver to succeed as “regional” Fund
- Need enabling legislation that will allow RTD to partner with for profit and non-profit developers at transit stations.
- Get beyond silo thinking: State Divisions of Housing, Transportation, Energy, Labor need to invest in Fund
- Must present the economic benefits of Fund…
- Over $150 million of investments leveraged by Fund and more than 2,200 jobs created