Affordable Housing Basics: A Bit of the The Denver Experience

Rail-Volution 2011
October 17, 2011
Denver’s System

Three existing Corridors

Approx 20 existing stations in Denver

18 miles of bus transit

System Build-Out:

- 9 corridors
- 41 stations in Denver
- Region-wide - 122 miles of new rail
TOD Strategic Plan

• Set priorities along transit corridors
• Identify effective implementation tools (regulatory, investment, partnership)
• Prepare varied housing strategies (MI, renewal, affordable)
• Develop economic development strategies for stations
TOD Plan-
One of Many
Affordable Housing Strategies

Establish a property acquisition/land banking fund for transit-oriented mixed-income housing
1. provide more transportation choices.
2. promote equitable, affordable housing.
3. enhance economic competitiveness.
4. support existing communities.
5. coordinate policies and leverage investment.
6. value communities and neighborhoods.
increasing demand for housing near transit in metro Denver
(40% of this demand low income HH)

improved housing stock

better access to transit and jobs

opportunities for active lifestyles and access to healthy foods
## Outcomes & Benchmarks

<table>
<thead>
<tr>
<th>Program Outcome</th>
<th>Benchmark</th>
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<tbody>
<tr>
<td># of affordable units preserved or created within one-half mile of transit</td>
<td>Enable the preservation and/or development of 3,000 affordable west side units within one-half mile of transit by 2013.</td>
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<tr>
<td>Increase in mode share</td>
<td>Identify opportunities for 5,000 new households to reduce vehicle miles traveled and increase transit/bike/ped trips</td>
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<td>Reduction in Housing + Transportation costs</td>
<td>Enable west Denver residents to decrease their H+T costs as percentage of median household income by 2 % points by 2013</td>
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<tr>
<td>Linear feet of programmed bike/ped complete street improvements</td>
<td>Funding for 2 miles of west side bike/ped infrastructure projects on capital improvement program lists by 2013</td>
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<tr>
<td>Street miles improved to accommodate and/or prioritize bicycles</td>
<td>Designs in place for 2.5 miles of street to be equipped with new bicycle facilities</td>
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<tr>
<td># households benefiting from access to new bicycle facilities</td>
<td>1,000 households will be able to access new bicycle facilities within 1/2 mile by 2013</td>
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Partner Efforts

DHA, ULC, and the Housing Development Assistance Fund
Partner

Accomplishments - DHA

SC.1 Promote socially cohesive neighborhoods
S1. New community space
S2. Open spaces designed to promote interaction and education
S3. New public plaza at “heart” of 10th Avenue Promenade
S4. Community Garden as a gathering place for many cultures

ES.3 Promote affordable and high quality food access and sustainable agriculture
E1. On-site Community Garden
E2. Potential for new fresh food market
E3. Existing Farmer’s Market at Civic Center (within 1 mile)
1099 Osage

• 100 new, one and two bedroom apartments
• Serving seniors and disabled individuals
• Opening for lease-up in January 2012
Park Avenue/Benedict Park Place After

- 2002 HOPE VI - $20 M
- Total Investment $190 M
  9:1 ratio private investment
- Demolish 249 units
- 700 mixed income units
- 584 rental units; 100 plus homeownership

✓ Rental Developer
✓ Master Developer
Park Avenue Benefits

• De-concentrate poverty
• Preserve affordability
• Introduce mixed-income
• Revitalize neighborhood
• Connect street grid
• Access to healthy food/farmer’s markets
• Low-impact infrastructure
Urban Land Conservancy

• Form long-term partnerships with nonprofit, for-profit, and governmental organizations
• Acquire and hold strategic sites in anticipation of market changes
• Serve as or partner with the master developer on community developments
The TOD Fund

- Initial start: $2.5 million MacArthur Foundation
- Preserve and create over 1,000 units of affordable housing units near transit through property acquisition and land banking
- $15 million, 10 year fund, 3.5% fixed interest rate to Urban Land Conservancy
- Prevent gentrification pressures from displacing current residents
- Ensure access to jobs, education, community services, healthcare
ULC Highlights

• $7,142,900 investment
• Partnerships
  – Hope Communities
  – Del Norte Neighborhood Development Corporation
  – Medici Communities
  – Denver Inner City Parish/NEWSED
Housing Development Assistance Fund

Early capture of affordable housing opportunities adjacent to transit corridors is critical to the success of the station, the corridor and the region.

• $1.5 million fund
  – $750,000-DHA
  – $750,000-ULC
• $5 million match
  – Denver TOD Fund
  – Potential other sources
HDAF Eligible Activities

• Acquisition costs

• Soft costs
  – Architectural, engineering or related professional services
  – Finance processing
  – Project audit
  – Affirmative marketing and fair housing information
  – Construction or rehab: Initial operating deficit reserve
  – Environmental review
Leverage/Match

- Denver’s TOD Fund
- Eligible soft costs
- Non-TOD Fund acquisitions
- Tax Credit equity?
Challenges

• Federal vs. Local regulations
  – HUD CFR Part 50 (Federal NEPA review) vs. Part 58 (Local NEPA review)

• Timing
  – Hard to hold onto a good deal if you have to address additional regulations

• Leveraging
  – Private projects subject to Federal review
  – Need clarity on alternative sources
HUD’s NEPA Regulations

(DISSIMILARITIES)

24 CFR Part 58

- NEPA responsibilities are assumed by the “Certifying Official” (CO) of a “Responsible Entity” (RE)

- Signatories:
  - Preparer
  - Certifying Officer

24 CFR Part 50

- NEPA responsibilities are certified directly by HUD

- Signatories:
  - Preparer
  - Environmental Certifying Officer (over 200 units)
  - Program Approval Official
Where do we go from here?

• Seek alignment between Federal grant requirements and local procedures
• Ensure proper zoning and infrastructure planning is in place when time for development comes
• Support our partners in AH efforts
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