A TALE OF TWO CITIES' PUBLIC-PRIVATE PARTNERSHIPS: EQUITABLE DEVELOPMENT ALONG TRANSIT CORRIDORS
Denver Context
Denver Office of Strategic Partnerships

Created in January 2004 to serve as a liaison between the City of Denver and the nonprofit sector

Work with over 3,000 nonprofits annually and engage in ongoing partnership work with nearly 120 organizations each year.
Urban Land Conservancy (ULC)

- Mission: To acquire, develop, and preserve urban community assets in Metro Denver
- Invested $40 million in real estate, (leverages over $200M) serving over 10,000 low and moderate income people
- 700 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
- When possible use a 99 year land lease with partners to ensure permanent stewardship of the improvements/buildings
The RTD FasTracks Build Out Plan

- 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
Denver TOD Fund: Background

- Lower income households spend 60% of income on housing and transportation
- Lower income residents are more likely to utilize transit regularly, increasing & stabilizing ridership for RTD
- Transit access improves access to education, jobs, food, healthcare and community services
- TOD encourages compact growth, decreases traffic congestion and enhances air quality
- Increases community health through walking, bicycling, and interaction
Denver’s TOD Fund

Fund will preserve and create over 1,000 affordable homes and other community assets near high frequency transit by:

- Purchasing existing multi-family properties
- Land banking
- Acquiring industrial/brown field sites for redevelopment.

$15 million, 10 year fund, 3.38% fixed rate to

- Revolving Line of Credit
- 3-5 year sub-loans for acquisition

- 90% LTV on ‘as-is’ basis
- Top 63% is Non-Recourse
- Expand Fund to $30 million for Denver Metro Region
Denver’s TOD Fund Property Locations

5. Jody Apts
9. Dahlia Apts
11. Yale Station TOD
12. Mile High Vista
13. Evans Station Lofts
14. Villa TOD
15. Blake TOD
17. 11th Ave TOD
18. Park Hill Village West
Currently under development, ULC served as master the developer, partnering with the City of Denver and Del Norte Housing (nonprofit developer) to build:

- **New Westside Public Library** (27K sq. ft.)
- **Residential mixed use**: 80 units of workforce housing + 10k sq. ft. of community space
- **Commercial building CLT**: 20k sq. ft. along Colfax Av

Total acquisition, brown field remediation and infrastructure: $5.25M = $52 sq. ft.

**Development Costs:**
- Library: $12 million
- Mixed Use/Shared Space: $17M
- Commercial: $3.5 million
- Total: **$32.5 million**

**Jobs Created:**
- 125 temporary (construction)
- 65 permanent
- Total Cost: **$37.75M**
Park Hill Village West (land banking)

- 9.4 acre property on East Rail Commuter Line purchased in March 2013
- Land Price = $6M
- ULC’s and TOD Fund’s largest land acquisition
- Development will include 156 affordable homes in Phase One of construction
- Phase 2 will include Denver Shared Space.
- CLT opportunities for both housing and commercial development
Purchased six years ago, this former vacant building, the Tramway Nonprofit Center, occupies a full city block and currently houses 15 nonprofits. DOSP and ULC first came together on the renovations of the property in 2008. ULC also has first right on Wyatt Charter school, an 1880s historic building across the street that serves 600 children.
Denver Shared Space Project

Nationally recognized, public-private partnership that promotes best practices in the creation and operation of shared space centers in Denver.

Create or grow five multi-tenant nonprofit centers
Offer targeted resources and information
Streamline City and community resources
Create a formal network of centers

Affordability
Stability
Intentional Collaboration
Environmental Sustainability
Denver Shared Spaces Impact
Evolution of Shared Space

Have It In Place
- Champions in all sectors
- Diversity of expertise
- Enjoy work together
- Bold vision

Give It Some Thought
- Asset/need mapping
- Articulate varied benefits
- Capitalize on growth
- Funding options
Evans Station TOD Shared Space

- First successful full cycle joint development
- 50 affordable apartments
- 8,000 sq.ft. of commercial space, housing 2 nonprofits – Kim Robards Dance Troupe, a Cop Shop, and a third entity TBD.
Thank you!

www.denversharedspaces.org

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Growing Transit Communities: Equitable Development Strategies

Rail-Volution
October 22, 2013
What is the Puget Sound Regional Council?

Central Puget Sound Region:
• 3.8 million population
• 4 counties
• 82 cities & towns
• Urban & rural areas

PSRC Mission:
Ensure a thriving central Puget Sound now and into the future through planning for regional transportation, growth management and economic development.
Since 1982, Enterprise has raised and invested more than $13.9 billion to help finance 300,000 affordable homes across the United States.

**Enterprise Community Loan Fund**

- 1,800 loans closed
- 83,000 units built or rehabilitated
- 10,300 educational seats
- 3 million sq ft of community space

Broadway Crossing – Seattle Capitol Hill Housing
Growing Transit Communities Partnership

Implementation of regional plans

Regional initiative housed at PSRC

- $5 million grant from Partnership for Sustainable Communities

Diverse coalition to promote thriving and equitable transit communities
Strategy Goals

Attract residential & employment growth

Provide affordable housing choices

Increase access to opportunity
What’s the problem?

These are the people living in the region

This is what the new rental market is producing near light rail
74 study areas in 16 cities:

- Current and future light rail station areas
- Select RapidRide and Swift BRT station areas
- Other major transit nodes
Recommended Strategies and Actions

11. Housing needs assessment
12. Preservation and replacement
13. Housing investments in transit communities
14. TOD property acquisition fund
15. Value capture financing
16. Surplus public lands
17. Incentives
18. Fair housing
Value Capture Financing

Goal: Provide financing for infrastructure, affordable housing, and other public benefits in transit communities

Challenges:
- Traditional TIF is not feasible in WA
- TIF-like tools do not capture value created by new development
- All tools rely on forces that could cause displacement

New Tool:
- Functions like special assessment district
- Targeted to transit communities
- Directs 25% of revenues to housing and rural land conservancy
**Surplus Public Properties**

Goal: Remove legal barriers that keep public entities from prioritizing affordable housing when disposing of property

Challenges:
- Federal (FTA)
- State law interpretation
- Transit agency land disposition policy

GTC Efforts:
- Comment on FTA Joint Development
- State legislation – enable public agencies to discount sale of land
- Partnership/Education – collaboration between affordable housing groups and transit agencies
Objective: Implement priorities from SE Seattle Neighborhood Plans with $3 million from a HUD Challenge Grant and $5.9 million in local funds.

- Equitable TOD Loan Program
- Commercial Stability Strategy
- Planning for a Shared Cultural Center
Regional Equitable Development Initiative (REDI) Fund

Evaluate the feasibility and need of a Regional TOD Fund to help acquire properties for future affordable housing and community facilities near transit areas in the Puget Sound region; prepare a business plan to advance the creation of such a Fund.

What’s the need?

What are the available resources to capitalize a fund?

What are realistic assumptions for future resources available to repay loans?
Basic Fund Structure

- **First Tier Capital**
  - Return: 0% to funder
  - Non-Recourse

- **Second/Third Tier Capital**

- **Senior/CDFI Capital**

- **Borrower Equity**

- “But For” investment
- Creates significant leverage
- Evidences Political Support
Bay Area (TOAH) Fund

1. Equity or Grant $  

2. Program-Related Investments and Flexible Loans  

3. Senior Loans  

- **Public Sector** – $10 million from the MTC
- **Philanthropy and CDFIs** – $15 million from six CDFIs and Ford, SF Foundation and Living Cities (4 layers here)
- **Banks** – $25 million from Morgan Stanley and Citi Community Capital
- **Borrowers** – Nonprofit and For-profit
Lessons so far

- Fund Structuring
- Flexibility – types of projects & geographies
- Not just light rail
- Types of projects
- Loan terms
Growing Transit Communities: Equitable Development Strategies

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