



URBAN LAND
CONSERVANCY

*Leveraging Land for Permanent
Affordable Housing Solutions*

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*Northwest Michigan Housing Summit
October 18, 2019*

About Urban Land Conservancy



- 501(c)3 with a Mission to acquire, develop, and preserve urban community assets in Metro Denver
- Initial **\$16M+ in real estate and seed capital** from Gary Williams Energy Corp. has leveraged over **\$110 million in 37 real estate investments**. These 37 properties have leveraged over **\$750M in redevelopment**, serving over 10,000 low and moderate income people
- 2,000 full and part-time jobs are supported by ULC real estate investments
- Acquire strategic sites and promote community development in anticipation of market changes through land banking and asset preservation along transit corridors
- **Use the Community Land Trust (CLT) 99 year land lease** with partners to ensure permanent stewardship of the improvements

Who is ULC

theguardian

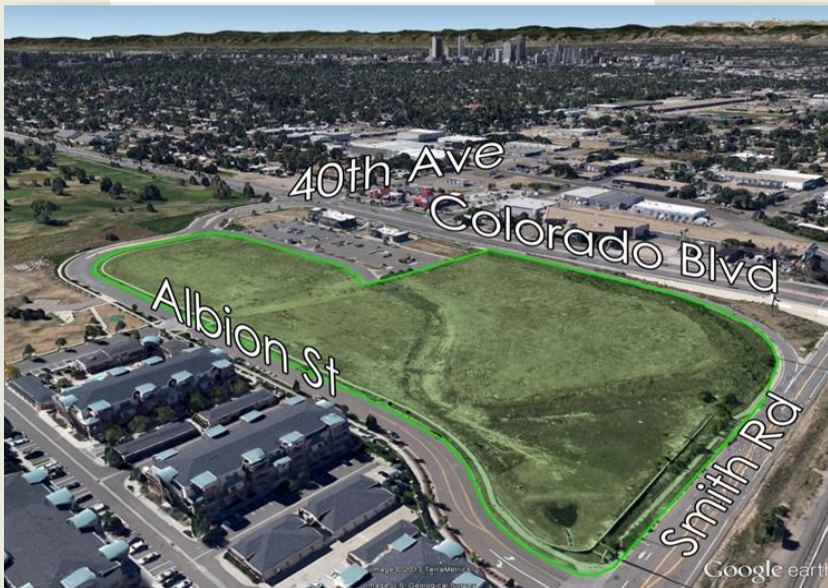
“Fair Cities should be committed to inclusive growth through a variety of tools, including the creation of public Land Banks such as Denver’s Urban Land Conservancy”

**THE
DENVER
POST**

“Denver group is a major player behind the scenes in affordable housing”

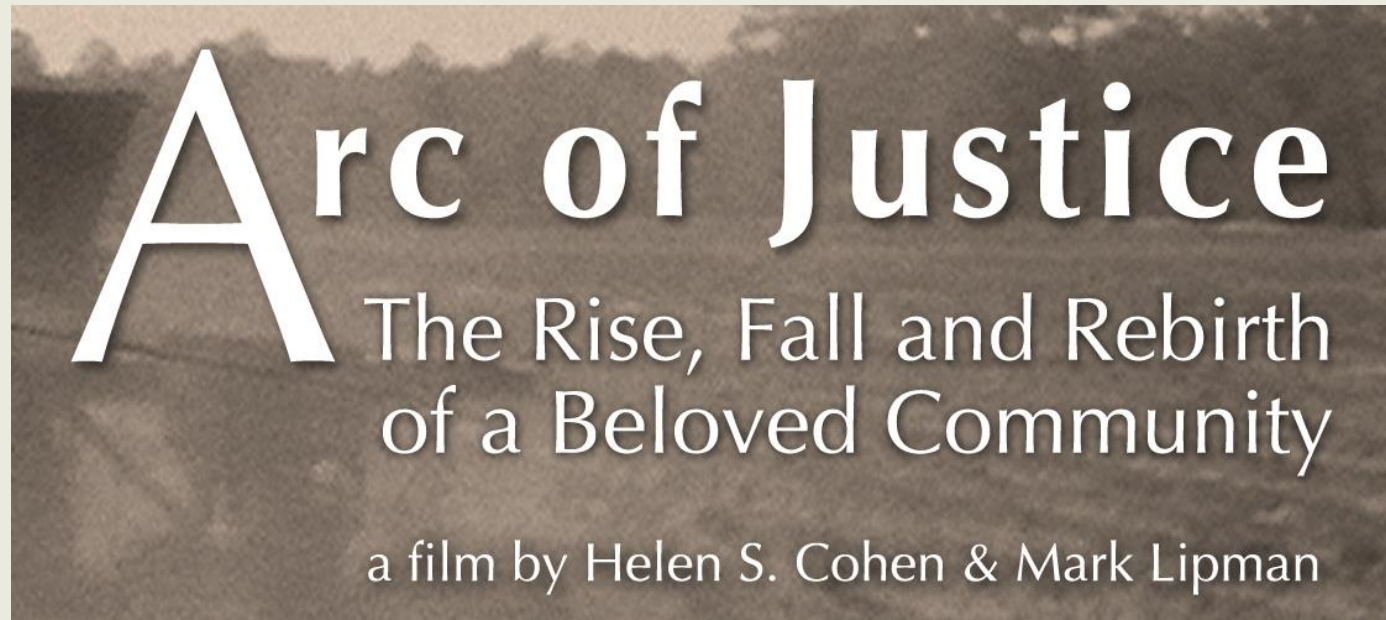
*The
Atlantic*

“Part Land Bank, Part Community-Focused Credit Line Denver's Urban Land Conservancy aims to put transit-oriented development to work for the greater good”



You cannot leverage land without owning the land

Land is Power



How does ULC use land to leverage community development?

Identify Community Assets

Determine Community Needs

- Engage Residents & Stakeholders

Convene Mission Aligned Partners

Collaborate to Identify Resources:

- Grants
- Loans



How is ULC different from a Land Authority?



Advantages and Disadvantages

How does ULC acquire land?

Resources:

- Banks & Trusts
- Local, County and State
- Quasi-government (CHFA)
- Philanthropy

Creative Financing:

- Revolving Loan Funds
- Metro Denver Impact Facility

Public and Private real estate donations for stewardship



How does ULC acquire land?

Resources

Municipal

\$400 million Denver Affordable Housing Fund

- Balance of property tax revenue and a one-time fee on new development
- Estimated to raise \$150 million over 10 years to create/preserve 6,000 affordable homes

State – 2019 Legislation

Colorado's first dedicated Affordable Housing Fund....comes from changes in an existing Vendor Fee

Results in \$8 million being invested in housing across Colorado in years one and two, with additional funding targeted toward other policy priorities, and \$45-50 million per year thereafter

Expand Supply of Affordable Housing

New state resource using unclaimed property tax trust fund creating \$30 million per year for the next 3 years

Incentives for Builders to Facilitate Affordable Housing

Requires an inventory of Public Lands Suitable for Affordable Housing Development.

Limits claw back of property tax exemption fund for affordable housing projects.

Expansion of the State Low-Income Housing Tax Credit (LIHTC)

Raise the cap of total allowed state tax credits for the program from the current \$5 million to \$10 million

How does ULC acquire land?

Creative Financing

\$15 million **Denver Transit Oriented Development Fund**

- Country's first TOD Fund created to preserve and develop permanent affordable housing along transit

\$10 million **Calvert Facility Fund**

- Created to preserve and develop affordable housing AND nonprofit facilities throughout Metro Denver

\$50 million **Metro Denver Impact Facility (MDIF)**

- Currently capitalized at \$28.5 million
- Developed to preserve and develop affordable housing (including for-sale) and nonprofit and community real estate



ULC has a Proven Track Record

To date: these resources resulted in over \$45 million invested into 18 properties:

- Preserved 250,000 sf of commercial space + 52 units of affordable housing
- Developed 55,000 sf of commercial space + 568 units of affordable housing
- Pipeline for 300,000 sf of commercial space + 1,000 affordable rental & for-sale units



\$50M Metro Denver Impact Facility

\$28.5M in Capital Currently

Borrower Equity – ULC
10%

Subordinate Debt
Partner Lenders
(Shared Second Position
\$14.25 currently secured)

Senior Debt – FirstBank
\$25 million commitment
(\$14.25M currently accessible)

Purpose: Acquisition Loans + Option for
Capital Needs Financing

Term: 5 or 7 year - interest only
Blended rate of 3% or less

Current Partner Lenders:

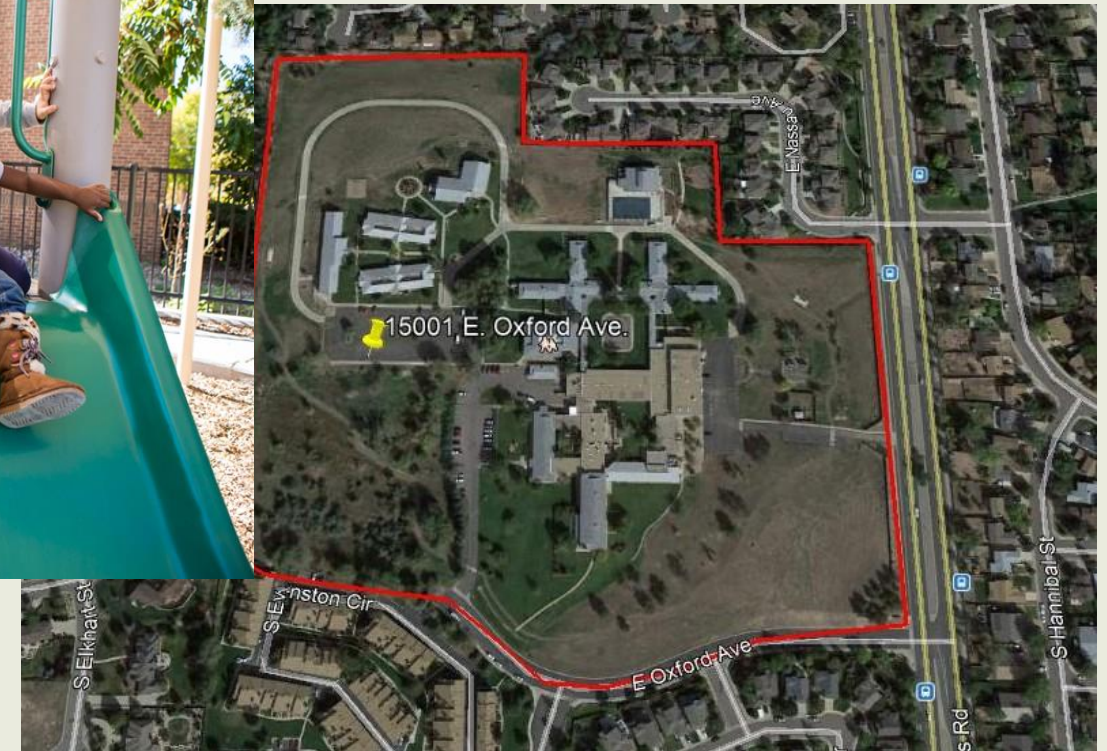
- Colorado Health Foundation
- The Denver Foundation
- Colorado Housing and Financing Authority
- The Colorado Trust
- Piton Foundation

MDIF is a **locally managed revolving facility** for ULC real estate acquisitions, a flexible resource to invest in affordable housing **AND** nonprofit facilities, commercial and warehouse space.

How does ULC acquire land?

Donations for Stewardship

Ensuring Community Benefit for Generations



Holly Park – Vacant Land in Westminister

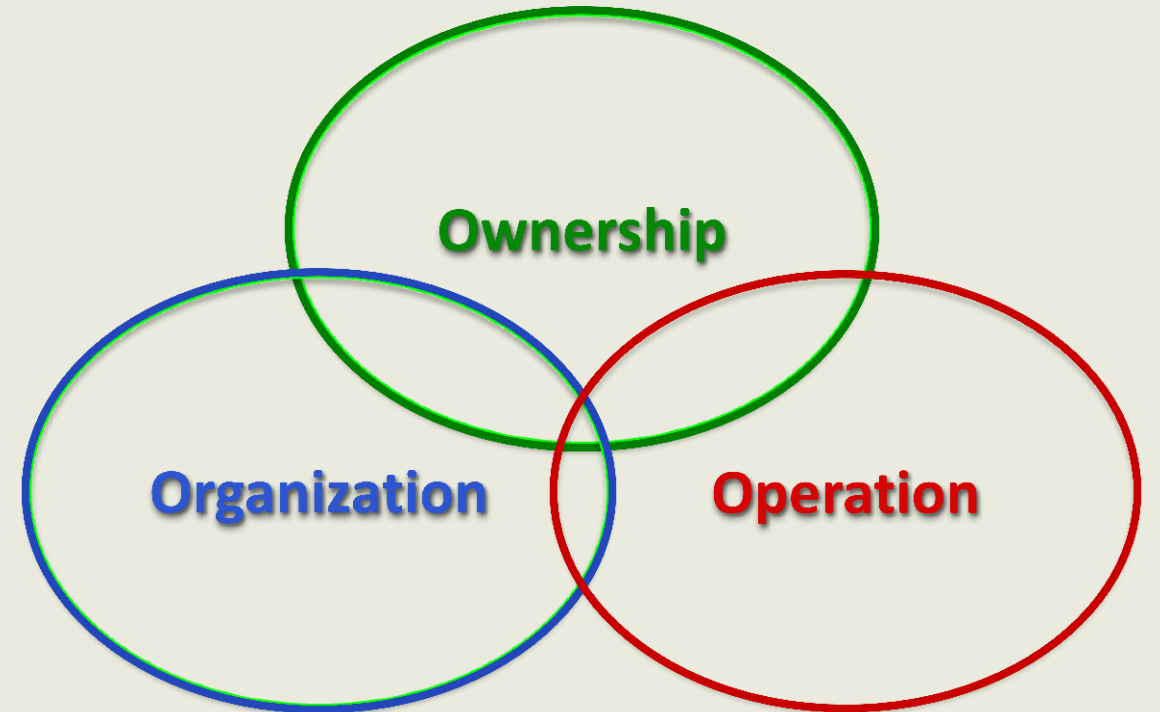
Oxford Vista – Educational Campus in Aurora

Don't Forget...
Land is Power and
so are the people



Community Land Trusts

Trust – Noun: A legal title to property held by one party for the benefit of another.



Denver's First Tax Credit Multi-Family CLT

Walnut Street Lofts: 66 Permanently Affordable Rental Units in a CLT



- 1.4 acre site on a commuter rail line
- Land Price \$1.7M - value increased over 800% in 8 years!
- Development partner developing 66 permanently affordable rental units. ULC retains ownership of the land in a 99 year lease.
- ULC sold remaining parcel for 16 story market rate development to include 30 affordable units = 96 units total on property
- As an interim use, ULC partnered to create Colorado's first tiny home village for homeless individuals. Beloved Community was proven successful, the village has now moved and expanded.

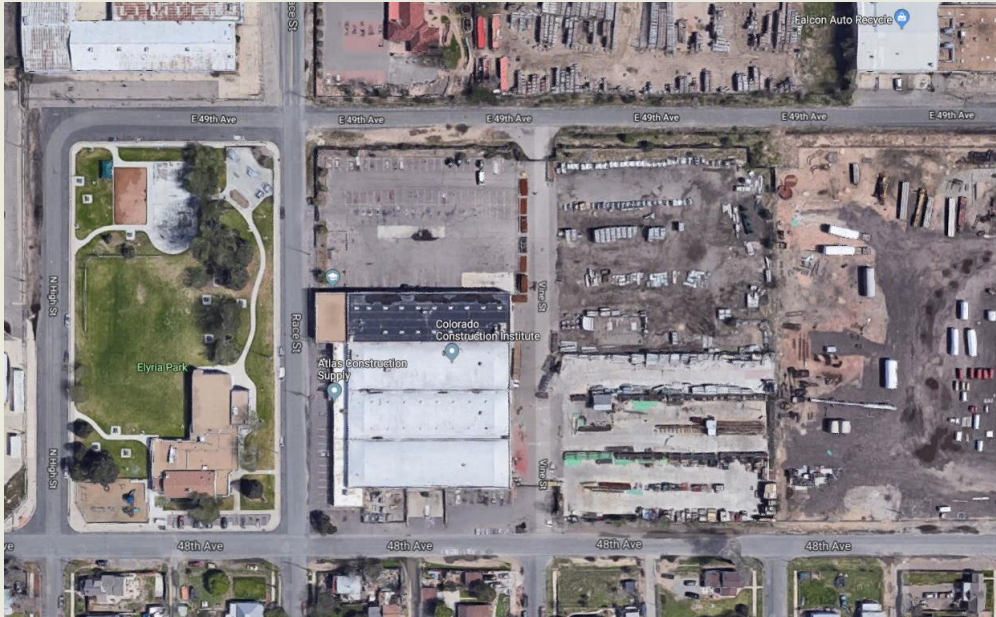


Land Banking for Equitable TOD with a CLT

- ULC was approached by the City of Denver to acquire this industrial site
- 6 acre property to address housing issues due to surrounding City investments and speculation causing displacement
 - C-70 changes caused loss of homes and businesses
 - \$1B+ in investment for the National Western Center development
 - RTD N Line Commuter Rail – National Western Station is located 2 blocks from site

Project Concept:

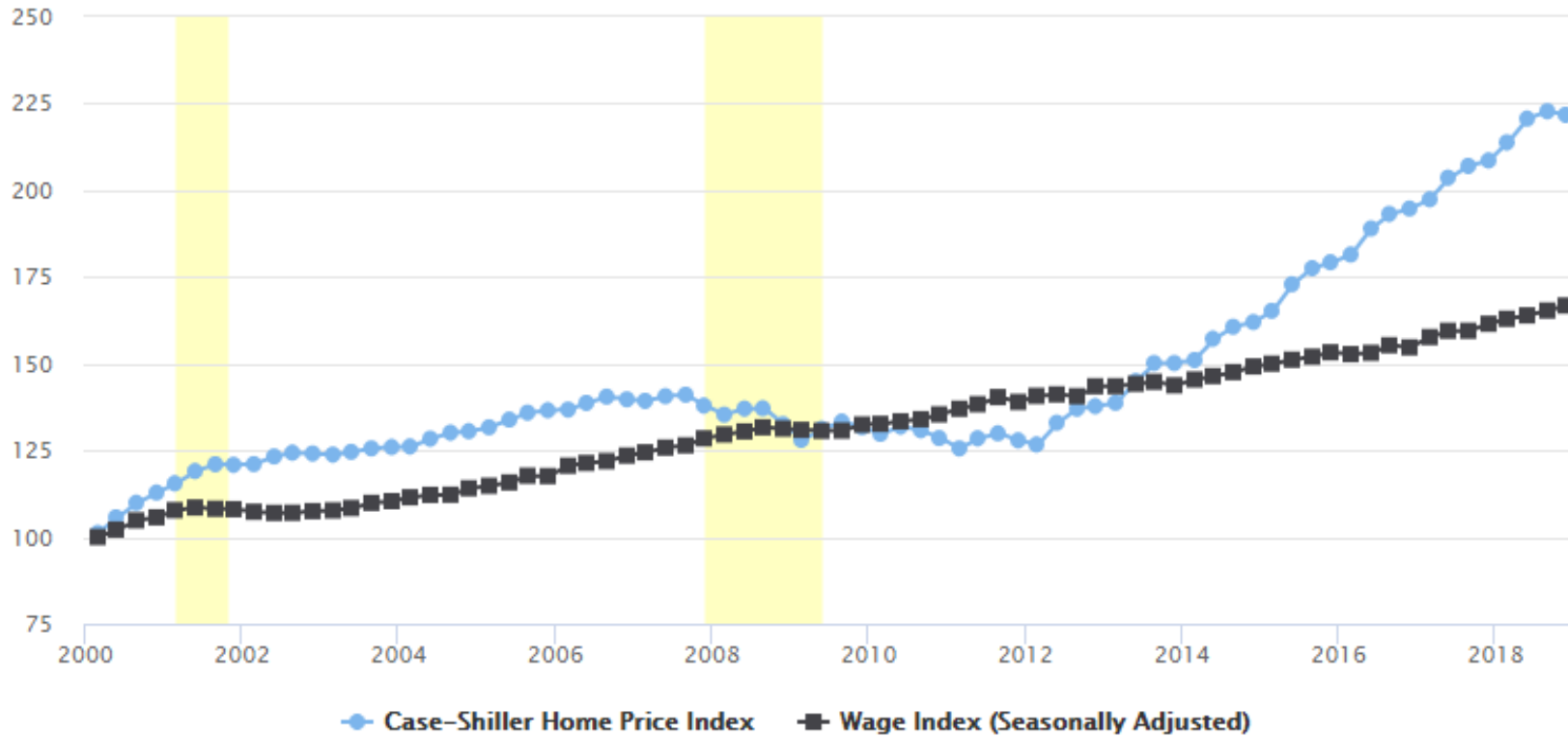
- Master site development that will incorporate a multi-family, mixed-use, mixed-income development including a CLT.
- First phase to include 150 permanently affordable rental apartments (45 serving 30% AMI) as well as a 24,000 sf healthcare facility and 7,000 sf local grocer providing fresh produce.



Colorado Context



Denver Metro Home Prices vs. Income



[Download](#)

Income in the Denver metro indexed to the growth of the quarterly Case-Shiller home prices figure. Yellow vertical bars denote U.S. economic recessions. Click-and-drag your cursor, or pinch on mobile, to zoom in on a narrower range; reset will appear in the upper right.

Source: The Associated Press, CoreLogic Inc., Bureau of Labor Statistics

Credit: Jim Hill / CPR News

Understanding the Needs

Housing affordability is a crisis in Colorado, the cost of housing has become a severe burden for essential service workers across the state



Home Value vs. Rent in Colorado's 5 Largest Cities

City	Median Home Value	Average Market Monthly Rent	Homeownership Rate
Denver	\$ 439,778	\$ 1,706	49 %
Colorado Springs	\$ 295,664	\$ 1,409	57.7 %
Aurora	\$ 299,811	\$ 1,771	57.2 %
Fort Collins	\$ 402,383	\$ 1,711	51.6 %
Lakewood	\$ 401,432	\$ 1,787	57.9 %

Source: NeighborhoodScout (Q4 2018), U.S. Census Bureau (2017)

Not Fun Facts:

- *Colorado wage growth has not kept pace with real estate inflation.*
- *Denver is the most expensive non-coastal market in the country.*
- *A “middle-of-the-road” home in metro Denver now costs more than five times the median household income.*

Affordable Housing is Economic Stimulation

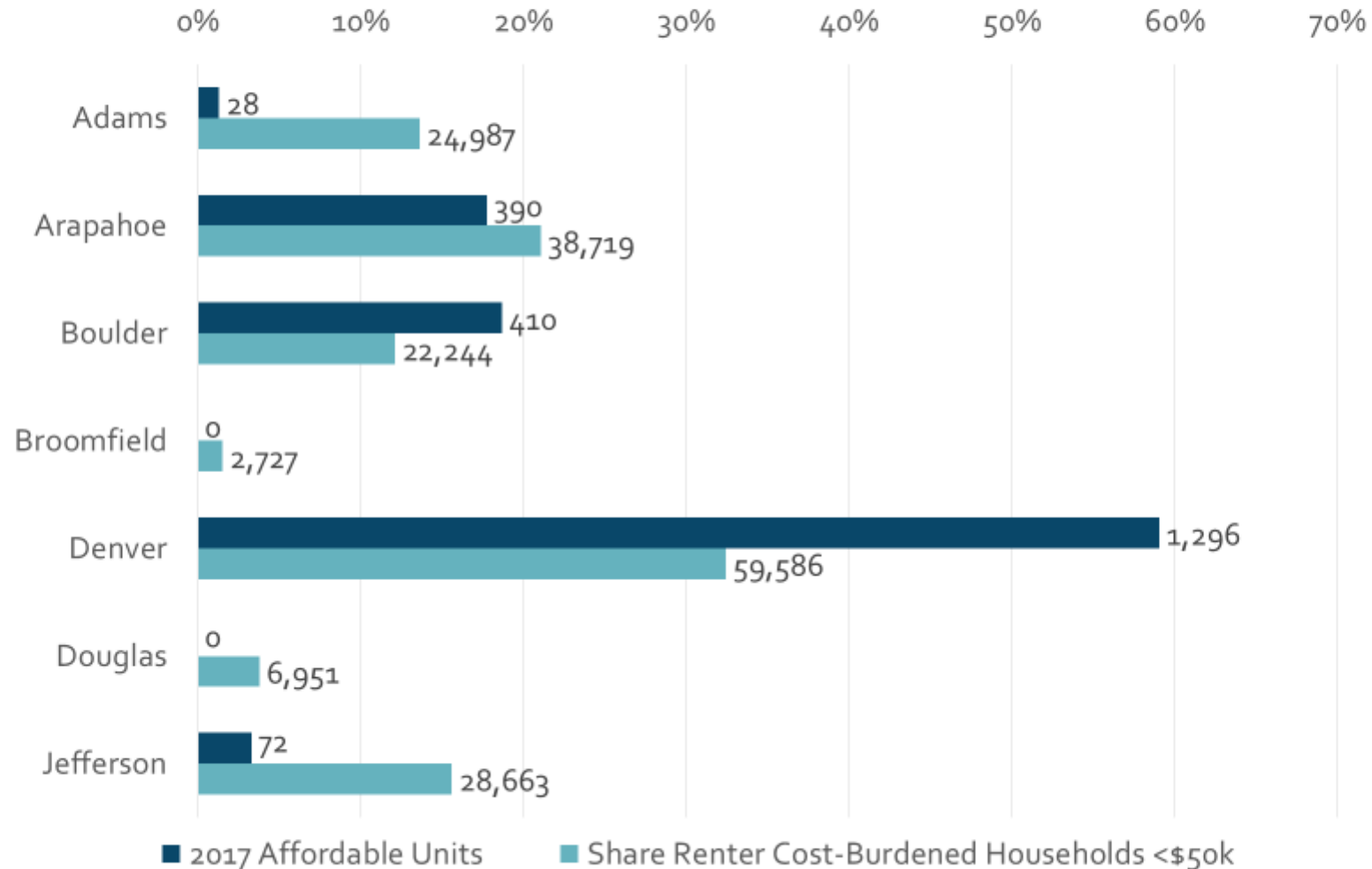


The one year (2015) combined state and local economic impact of building 977 rent-subsidized multifamily homes in Colorado include:

- \$158.5 million in local income
- \$25.8 million in taxes and other revenues for all local governments, and
- 1,996 full-time equivalent jobs

Affordable Homes Creating Economic Impact

REGIONAL SHARE AND COUNTS: 2017 AFFORDABLE UNITS VS. RENTER COST-BURDENED*



***Renter Cost-Burdened:**
Renter households earning less than \$50k and spending more than 30% of their income on housing.

Childcare Workers and Bank Tellers cannot afford to rent OR own in:

Boulder
Colorado Springs
Denver
Fort Collins
Greeley
Pueblo



Not one metro area in Colorado can support these key occupations

Northwest Michigan Grand Traverse County

Median annual income: \$58,229

Median home price (listed): \$269,000

Median monthly rent (1 bdrm): \$801



Affordable rent

Affordable home purchase

Bank Teller average salary \$25,688

30-36% in home expense →

\$530 rent

\$98,000 to purchase

Preschool teacher average salary \$27,040

30-36% in home expense →

\$550 rent

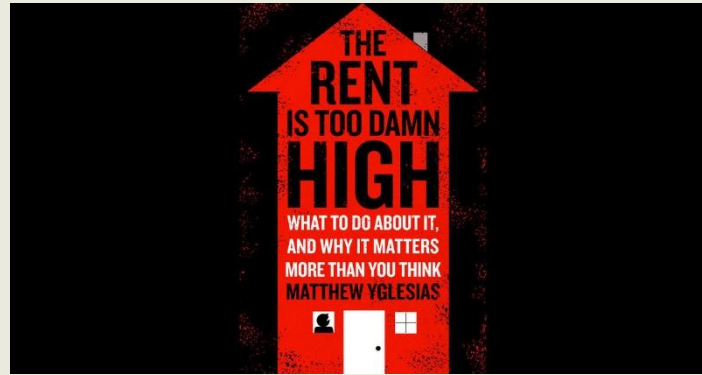
\$105,000 to purchase

Retail average salary \$25,000

30-36% in home expense →

\$510 rent

\$96,000 to purchase



Housing Is Out of Reach

In no state can a person working full-time at the federal minimum wage afford a two-bedroom apartment at the Fair Market Rent.

There is good news!

Partnerships result in positive impact so...



Expand your partner base

**What is the role of cities,
counties and the state?**



**What is the role of philanthropy,
corporations, and private property owners?**



What is the role of HFAs?



Partnerships require aligned vision

How do you get everyone to understand their role?



What do you do if an entity does not align with the larger goal?

The affordable housing spectrum must also include affordable home-ownership...



How can we keep homes permanently affordable?



Access to stable, safe,
affordable housing impacts our

Social Determinants of Health



ECONOMIC
STABILITY



HEALTH & HEALTH
CARE ACCESS



HEALTHY FOOD



PHYSICAL
ENVIRONMENT



EDUCATION



COMMUNITY

The Consequences Of Unstable Housing



1. Renters who are involuntarily displaced are more likely to move to disadvantaged, less-resourced neighborhoods.
2. Children are 50% more likely to be in fair or poor health after moving multiple times due to displacement.
3. A single change in elementary schools results in a decrease in math/reading equivalent to a 4-month learning disadvantage.
4. Low-income families that are displaced to the suburbs spend 3X more on transportation, creating tradeoffs for other necessities like food and health care.


Sources: See *Community Land Trust Brief*

**HOUSING IS THE
BACKBONE OF
FAMILY STABILITY
AND
AS A CRITICAL PIECE
OF PUBLIC
INFRASTRUCTURE**





Stewarding

700 

affordable homes
within 5 years

Targeting



80% AMI
OR BELOW

Building a long-term platform for CLT residents to access supportive health and human services

Start-up Operations

NEAR-TERM

Incubate as an LLC subsidiary of ULC for 12-18 months

Leverages ULC for technical assistance and back office supports

LONG-TERM

Establish stand-alone 501c3 entity

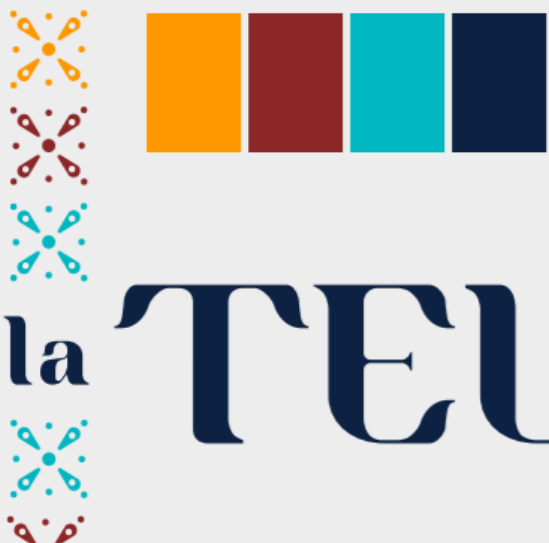
Governance

REPRESENTATIVE BOARD

CLT residents, community members, Funders and government partners

STAFF

Led by a President & CEO and Approximately 10 FTEs over 5 years



Why a Deed Restriction is not enough!

There are Denver homeowners living in affordable houses they make too much money to qualify for, and the problem is more prevalent than you might think

People in Denver forced to sell affordable housing they didn't know they bought

Denver officials say as many as 300 of the city's 1,302 income restricted housing units are violating at least one city rule



Once affordable housing is gone,
it's gone

Takeaways

How to take on this heavy lift?





Thank You!
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