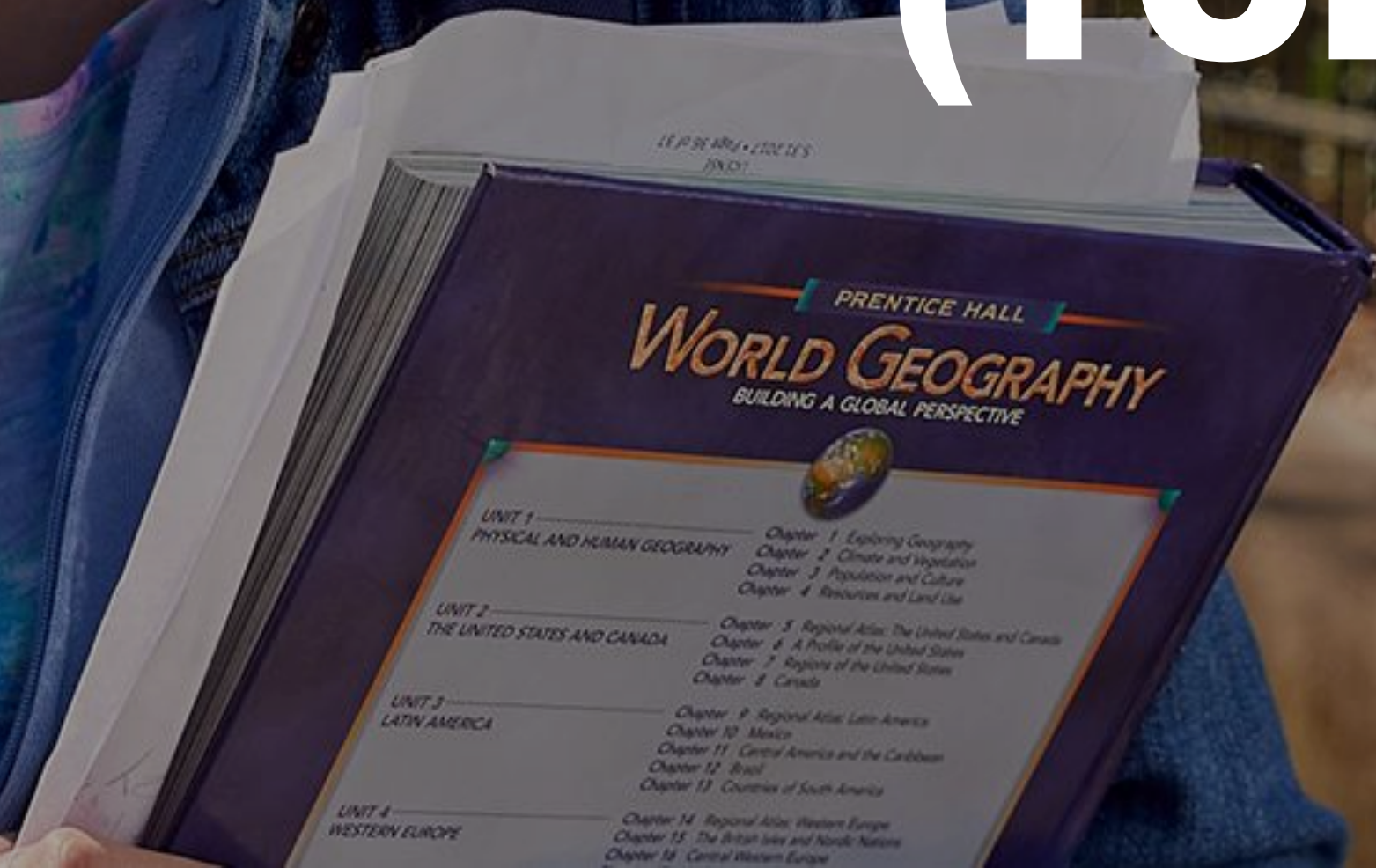




 Enterprise®

# Denver Regional Transit Oriented Development (TOD) Fund



# Enterprise Community Loan Fund

**Enterprise Community Loan Fund (ECLF) works with mission-aligned organizations to support low and moderate income families by:**

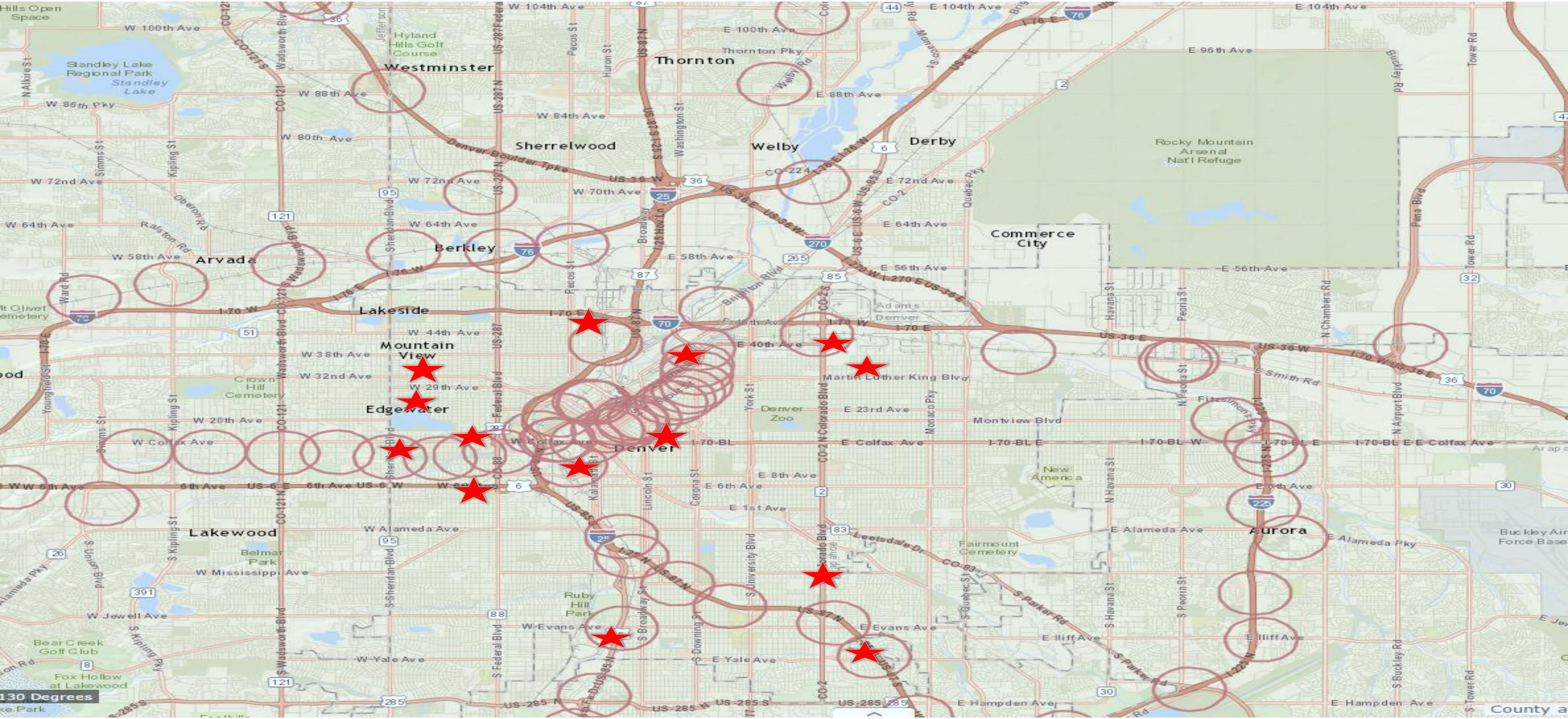
- Delivering innovative financial products
- Providing technical assistance
- Financing the acquisition, development and preservation of quality affordable housing
- Supporting communities through access to quality affordable healthcare, high quality education, transportation and healthy living environments.



# History of the Denver TOD Fund

- Fund initiated in 2010 at \$15 million and with a sole borrower – the Urban Land Conservancy for use in Denver.
- **City of Denver has been the “top loss” lender in the Fund since its inception. The City initially invested \$2.5 million in the Fund and has maintained that investment in the Fund since its inception.**
- Fund expands to metro region in 2014, and grows to \$24 million – opens to qualified affordable housing developers in the metro area.
- **City remains as the “top loss” lender for loans made in the City and County of Denver. Colorado Housing and Finance Authority and CO Division of Housing are “top-loss” lenders for loans made in regional areas (Adams, Arapahoe, Boulder, Broomfield, Douglas and Jefferson Counties).**
- Since 2010, 17 loans have been made through the Denver TOD Fund providing a total of \$34 million in financing for property acquisition near public transit in the Denver metro area. This will result in the development or preservation of more than 1,450 affordable homes in close proximity to public transit. Fourteen of the loans closed are in the City and County of Denver.
- The Fund has not experienced any loan losses. All loans made to date have been repaid as agreed.

# DENVER TOD FUND INVESTMENTS – CITY OF DENVER MAP



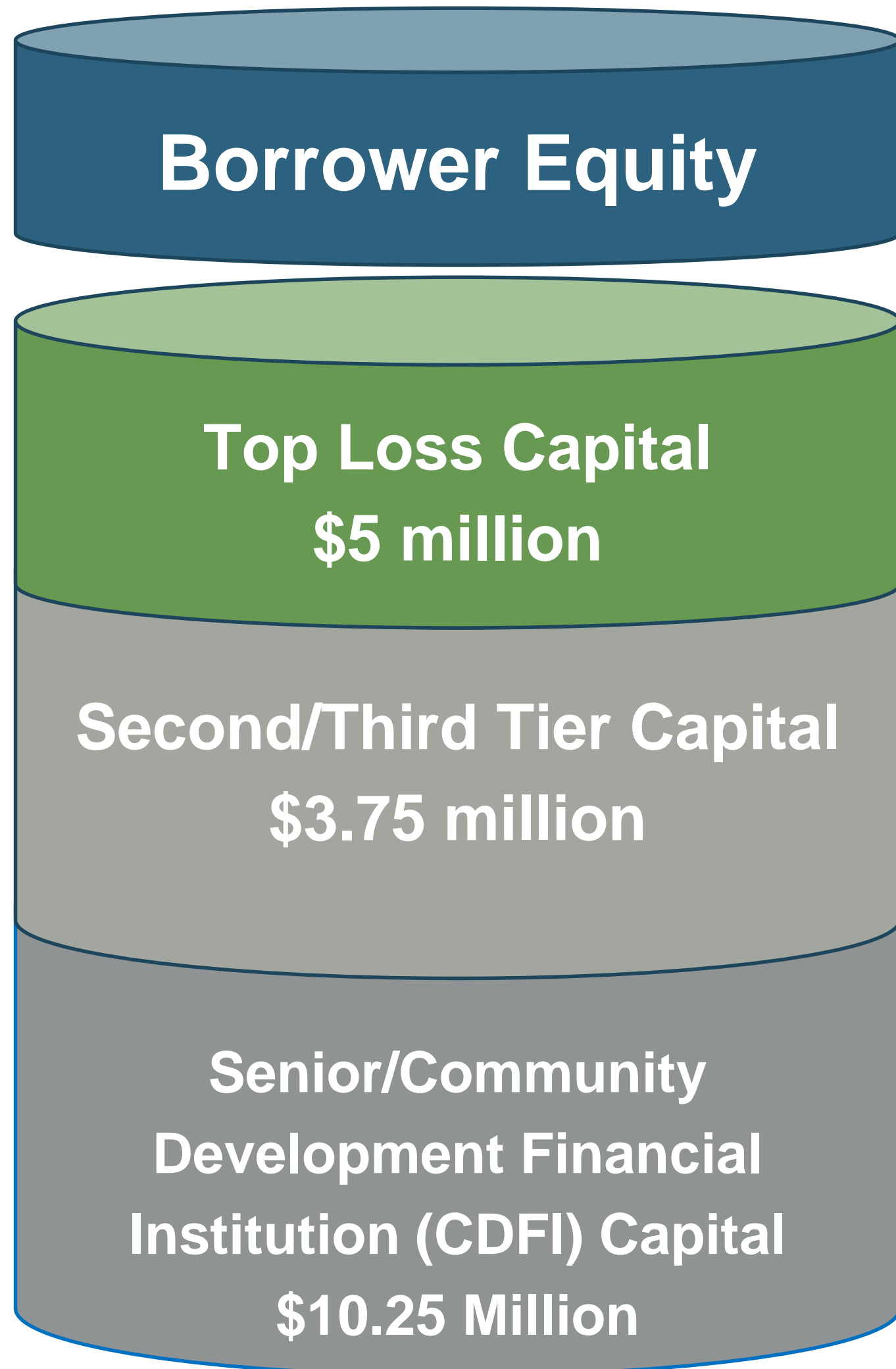
# Denver Regional TOD Fund City of Denver



- The City of Denver has invested more than \$4.95 million in TOD Funded transactions since 2010. The City has invested \$2.69 million in TOD Funded transactions since the regional expansion in 2014.
- Of 1,450 units produced through the Fund since 2010, a total 996 units of affordable housing produced or preserved have been in the City and County of Denver (500 units since the regional expansion in 2014).
- Based on deployment history, Enterprise anticipates over the next five years another 400-500 units to be produced or preserved in the City and County of Denver through TOD Fund investment.

# Denver Regional TOD Fund

## Proposed Structure



- \$19MM Fund
- ECLF serves as Administrative Agent of the Fund and an investor.
- Acquisition financing for land or operating properties within ½ mile of light rail station or ¼ mile of high frequency bus corridor.
- 90% Loan to Value
- 3.44%-3.92% interest rate
- Limited recourse to Borrowers and Guarantors.

## Fund Collaboration

# Investors

The Fund is made up of a blend of “top loss” public investments, capital from philanthropic investors, CDFIs and banks. Lenders in the Fund will continue to include:



# Fund Modification Request

- ✓ Five year extension of investments in the TOD Fund. This will allow for five additional years of origination activity, followed by five years of repayment for loans with terms of up to five years closed during the origination period.
- ✓ Increase the maximum allowed loan amount from \$5 million to \$7.5 million for preservation of existing operating housing units. The loan limit of \$5 million will remain for acquisition of vacant land or non-cash flowing properties.
- ✓ Expand the definition for an eligible TOD site in regional areas (outside the City and County of Denver) to match CHFA's definition of a TOD site (1/2 mile from a light rail or bus stop). This modification does not apply to loans made in the City and County of Denver.
- ✓ Revision of legacy language in the Master Credit Agreement related to loan approval authority. The revisions are related to approval requirements when lending on vacant land and the Fund's overall exposure to vacant land/non-cash flowing property.



# TOD Funded Project Example

## The Colburn Hotel – Preservation

- 92 unit Single Room Occupancy property with expiring LURA. The property has a Housing Assistance Payment (HAP) contract administered by the Denver Housing Authority allowing the property to serve extremely low income individuals.
- Gorman & Company acquired the building and will recapitalize with 4% Low Income Housing Tax Credits (LIHTC), State tax credits, City of Denver loan funds and permanent debt.
- All units will be upgraded from Single Room Occupancy (SRO) to efficiency units by adding kitchenettes and bathrooms.



# TOD Funded Project Examples

## Affordable Senior Housing

### Crossing Pointe Apartments – Thornton, CO

- Unison Housing Partners acquired .80 acres of raw land at 104<sup>th</sup> and Colorado.
- Unison secured 9% LIHTC to develop a 64 unit community serving seniors at 30%, 40%, 50% and 60% of AMI. The project is within walking distance of a newly built light rail station.

### Wesley Avenue Senior Apartments – Denver, CO

- Wazee Partners acquired a dilapidated office building near Colorado Blvd and Wesley Avenue in southeast Denver.
- Wazee proposes to secure 9% LIHTC and City of Denver loan funds to construct a 50 unit affordable rental property serving seniors at 40%, 50% and 60% of AMI.



# Action Required Today

Staff and partners are seeking support from Council on **19-1351** to extend our investment in the TOD Fund.