

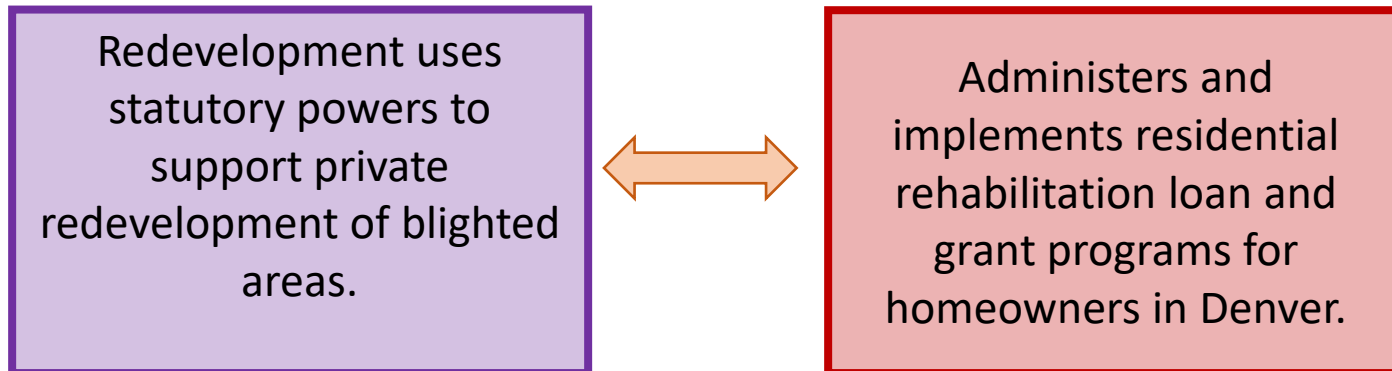
**Denver City Council
Finance & Governance Briefing – Denver Urban Renewal Authority
September 26, 2023**



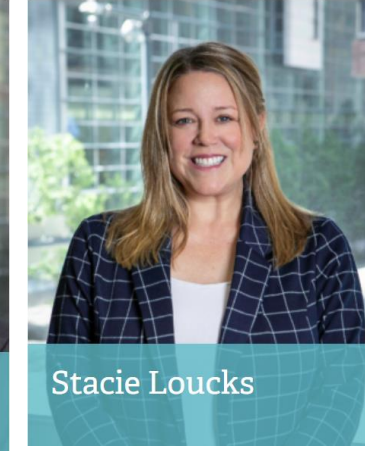
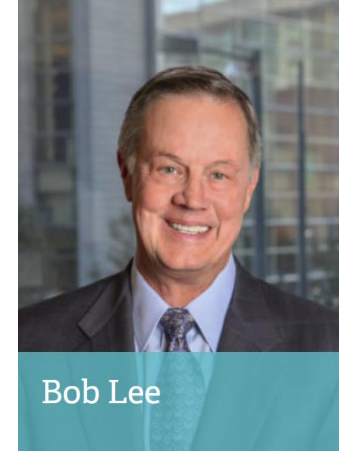
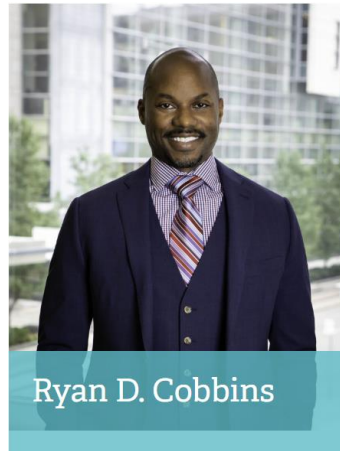
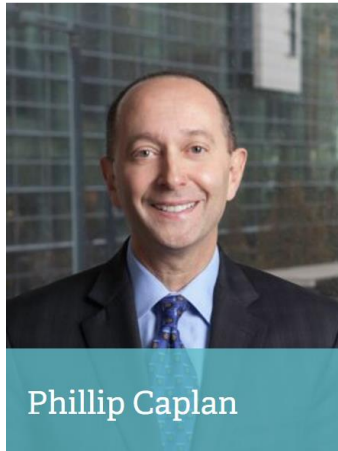
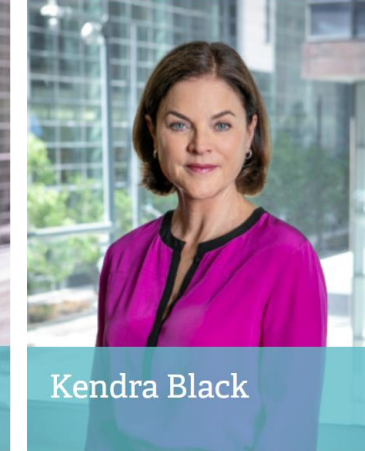
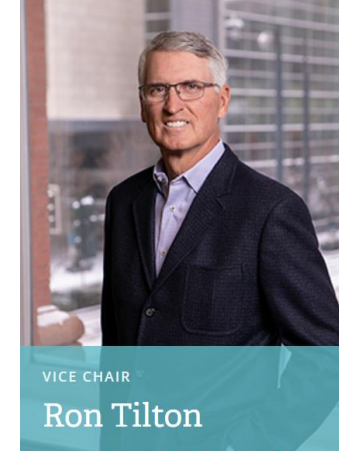
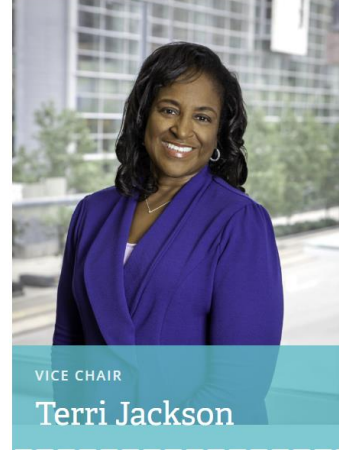
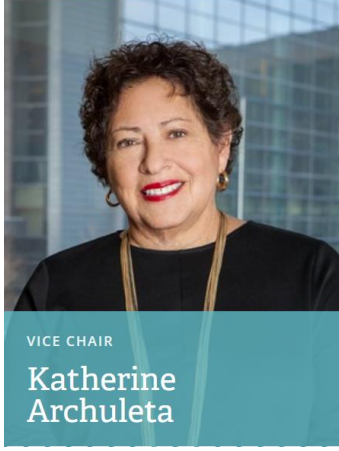
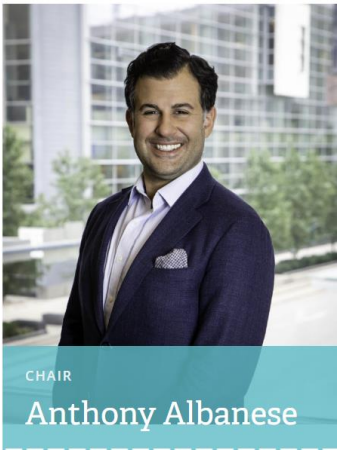


Who is the Denver Urban Renewal Authority (DURA)?

- Responsible for urban renewal activities throughout Denver
- Charged under state law with helping the city prevent and eliminate blighted areas
- Mission Statement: *DURA promotes inclusive reinvestment, equitable growth, community building, and environmental sustainability throughout Denver.*
- Dual Vision Elements:
 1. Supporting new development capacity within the City
 2. Sustaining existing elements of the community
- Two Primary Departments: **Redevelopment** and **Community Investment**



DURA's Board of Commissioners



DURA Housing Programs






DURA has partnered with City for over 40 Years to deliver Housing Rehabilitation Programs

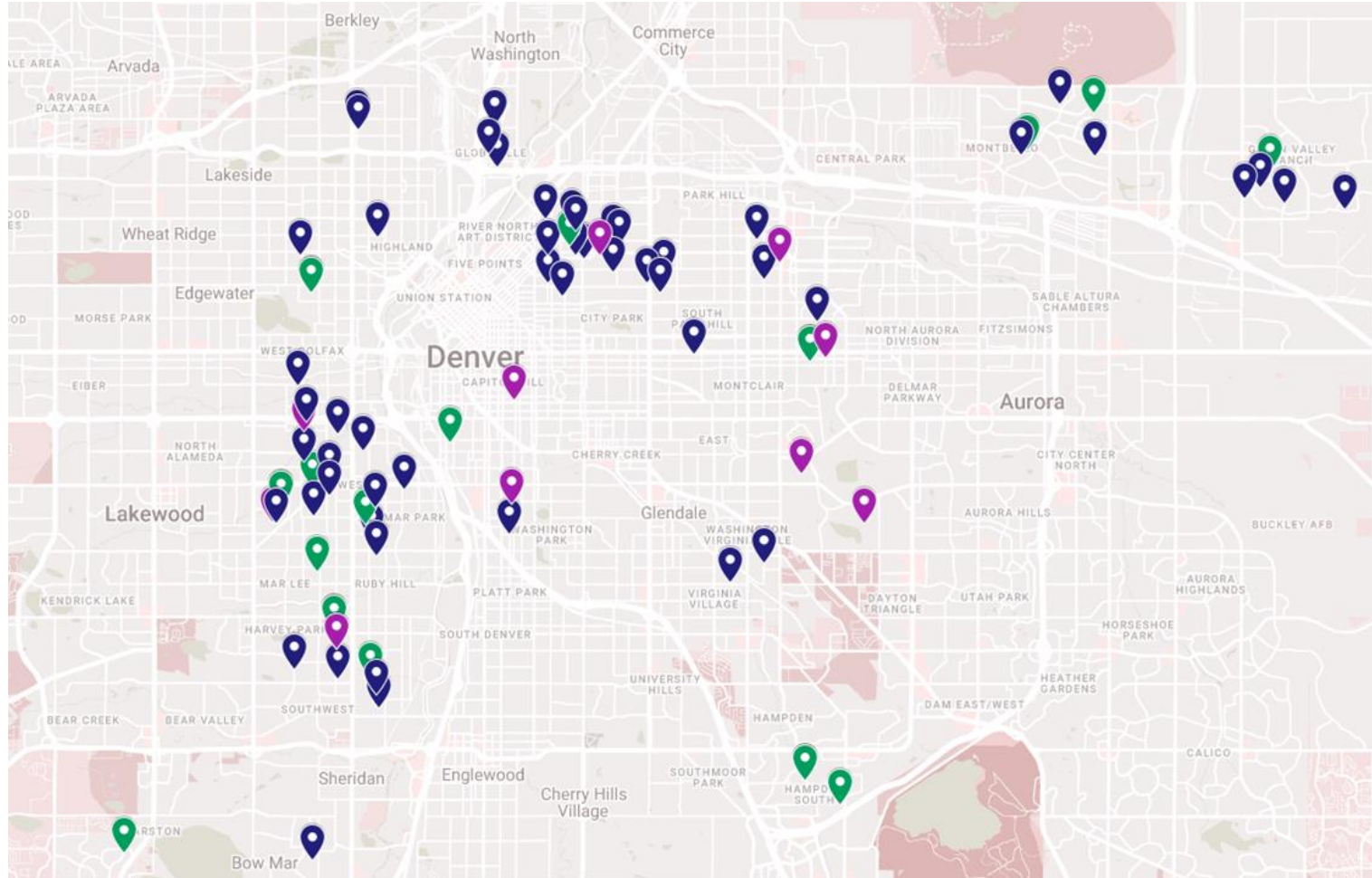
- Three Current Programs:
 - **Single-Family Rehabilitation (SFR)**
 - Assistance to help low to moderate-income Denver homeowners make their homes safe and livable
 - Loans up to \$50k for income qualifying homeowners
 - Tiered Repayment:
 - AMI \leq 50% - 0% Deferred Loan, due on sale or transfer of property
 - AMI 51%-65% - \$27,500 1% Amortized Loan, Balance 0% Deferred Loan
 - AMI 65.1%-80% - \$32,500 1% Amortized Loan, Balance 0% Deferred Loan
 - **Emergency Home Repair (EHR)**
 - Assistance to address problems that pose an immediate danger to the health and safety of low to moderate-income Denver homeowners
 - Grants and loans up to \$10k for income qualifying homeowners
 - Assistance \leq \$2,500 = Grant
 - Assistance $>$ \$2,500 = 0% Deferred Loan, due on sale or transfer of property
 - **Rental and Homeowner Access Modification Program (RHAMP)**
 - Grants up to \$10k to assist Denver residents with qualifying disabilities to make accessibility modifications in and around their home

DURA Housing Programs

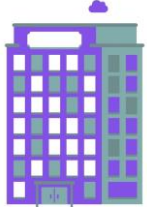
All Housing Cases Closed 2022



-  EHR
-  SFR
-  RHAMP



DURA's Role in City Redevelopment



- Urban Renewal Mission Objectives
 - Core objective: Prevent or **Eliminate blighted conditions** and stimulate continued growth of a blighted area
 - Other objectives: affordable housing, open space, historic preservation, economic revitalization, sustainability



- How does DURA help?
 - By filling a financial gap for redevelopment projects that will eliminate the blighting conditions of an area and further other objectives
 - Tax Increment Financing (TIF)



- What document governs this?
 - Urban Redevelopment Plan: establishes the boundaries of **the Urban Redevelopment Area**, defines **the Redevelopment Project**, outlines the **objectives** for urban renewal activity, describes **conformance with applicable City Plans** and authorizes the use of **TIF**

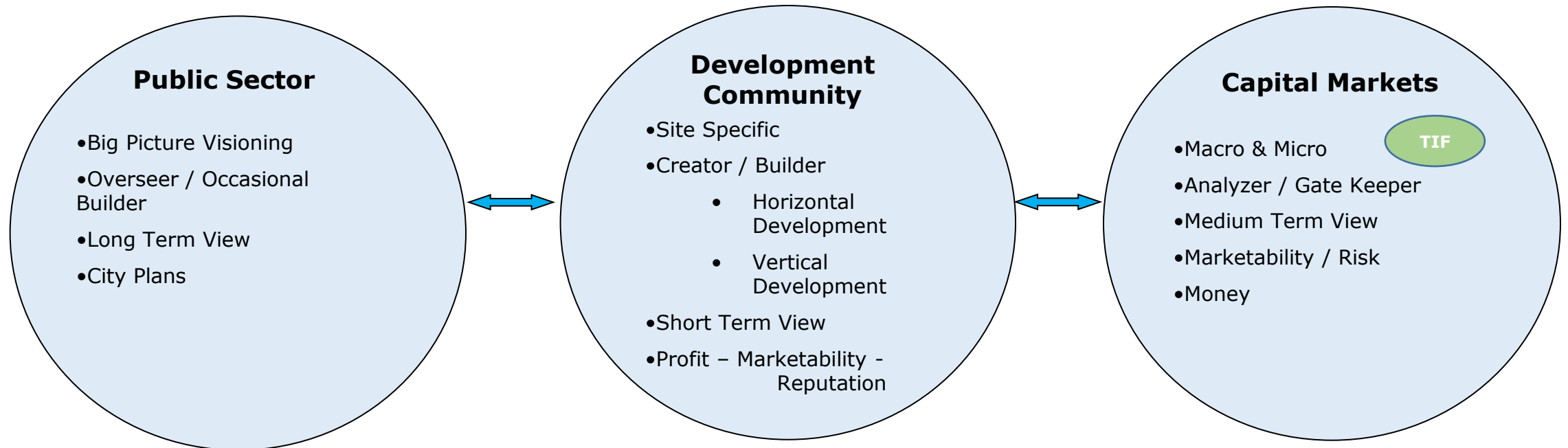


- Who approves?
 - DURA Board of Commissioners, Denver Planning Board, Denver City Council (public hearing) and agreements with DPS and UDFCD if TIF is requested

The Built Environment



Defining the Players and their Roles



Tax Increment Financing



How TIF Works

How Urban Renewal Authorities use tax increment financing to attract investment in blighted areas.

Original Value
Two parcels have Base Assessed Values that each produce \$30,000 in tax revenues per year, totaling \$60,000



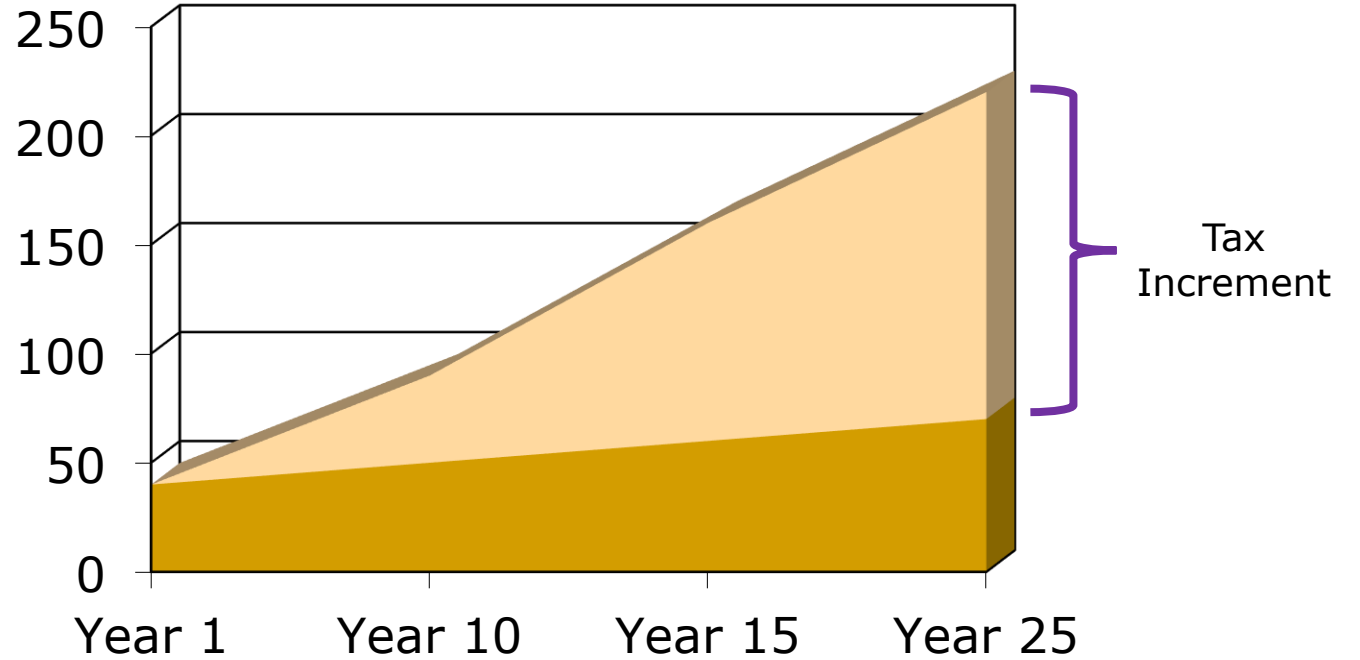
TIF is created
DURA enters into an agreement with a developer to improve the value of each parcel. DURA invest a certain sum (in this case, \$500,000) to attract investments from private parties (here, private investors commit \$2 million)



Increased Value
After the redevelopment is complete, the value of each property increases. The parcels produce more tax revenue, each increasing to \$50,000 per year, for a total of \$100,000.



Tax Increment
The tax increment is the difference between the original property tax revenue and the new tax revenue within a TIF area. In this case, the TIF fund collects \$40,000.



Value and revenue
The amount of revenue collected is the total assessed value for the area multiplied by the tax rate of mill levy. The tax revenue increases by increasing the assessed value for the properties in the area without changing the tax rate.

Final results

↑
TAX REVENUE
The total tax revenue increases

↔
TAXING BODIES
The amount collected by the taxing entities remains constant.

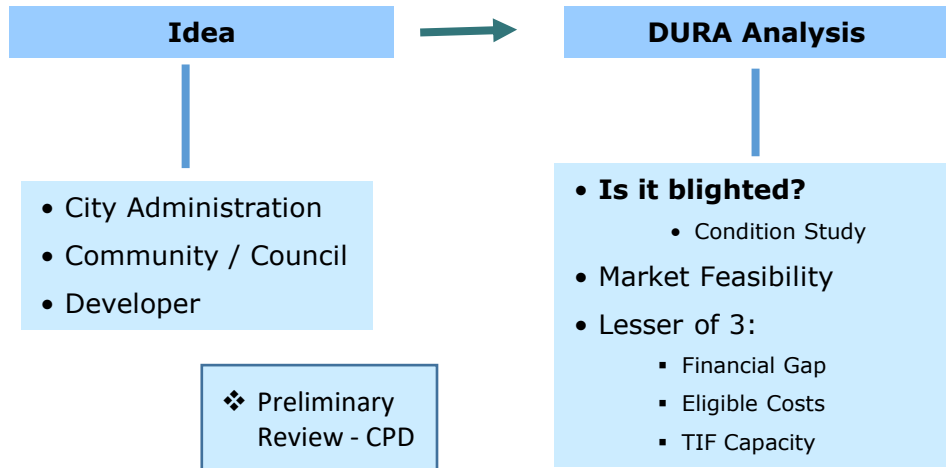
↑
TIF FUND
The amount collected by the TIF fund increases, to be used according to the redevelopment plan for the area.

■ Total Taxes ■ Base

DURA's Role in City Redevelopment



The Process...



Urban Redevelopment Plan: Factors of Blight



Blighted Area definition: *an area that, in its present condition and use and, by reason of the presence of **at least four** of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare:*

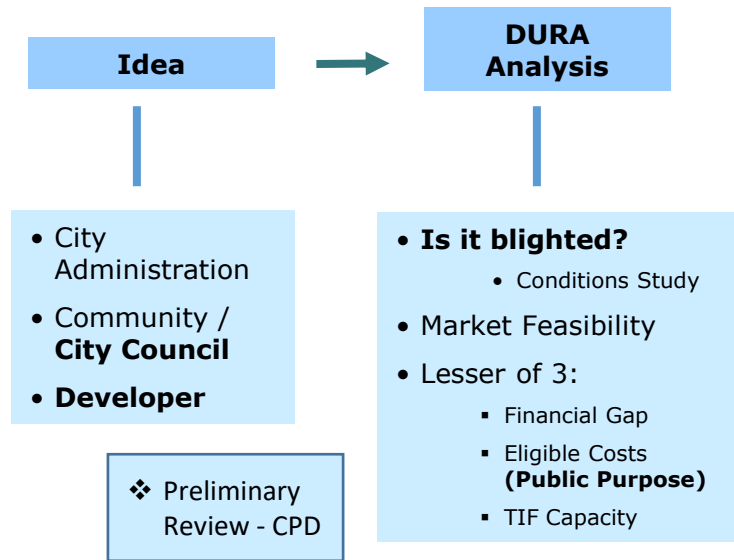
11 Factors of Blight:

1. Deteriorated or deteriorating structures
2. Defective or inadequate street layout
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
4. Unsanitary or unsafe conditions
5. Deterioration of site or other improvements
6. Unusual topography or inadequate public improvements or utilities
7. Defective or unusual conditions of title rendering the title non-marketable
8. Conditions that endanger life or property by fire or other causes
9. Buildings that are unsafe or unhealthy for people to live or work in
10. Environmental contamination of buildings or property
11. Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial underutilization or vacancy of buildings, sites, or improvements

DURA's Role in City Redevelopment



The Process...



Financial Gap:

- Difference between the total cost of a project and the level of private financing the project can support
- Evaluated on an IRR basis
- Generally $\leq 20\%$ total project cost

Eligible Costs:

- Must have a public purpose

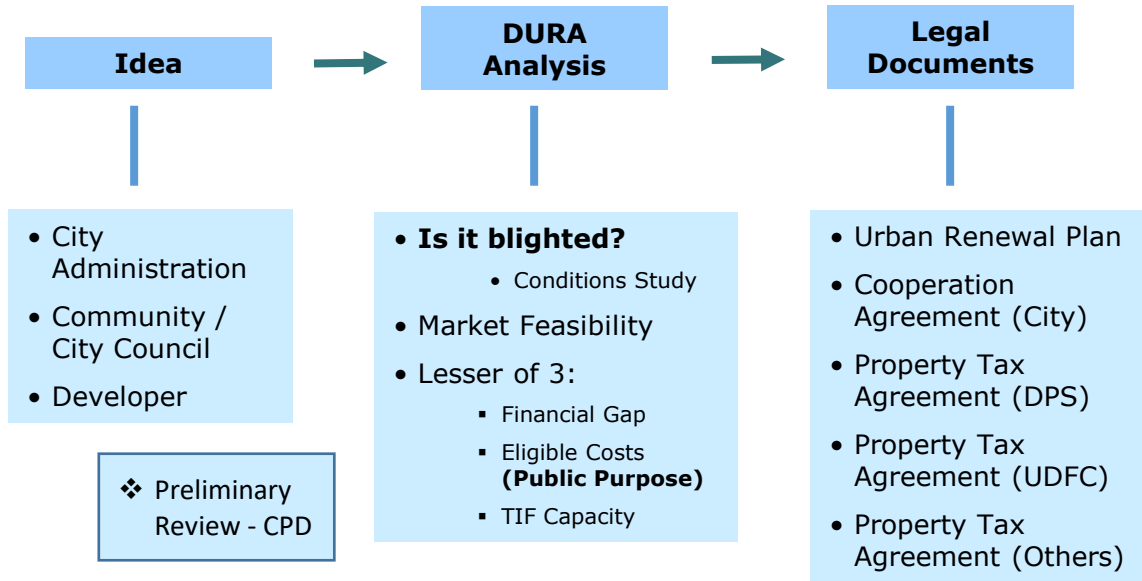
TIF Capacity:

- TIF available for 25 years from Plan Approval
- Underwritten to manage to repayment term
- Developer takes risk of actual receipt

DURA's Role in City Redevelopment



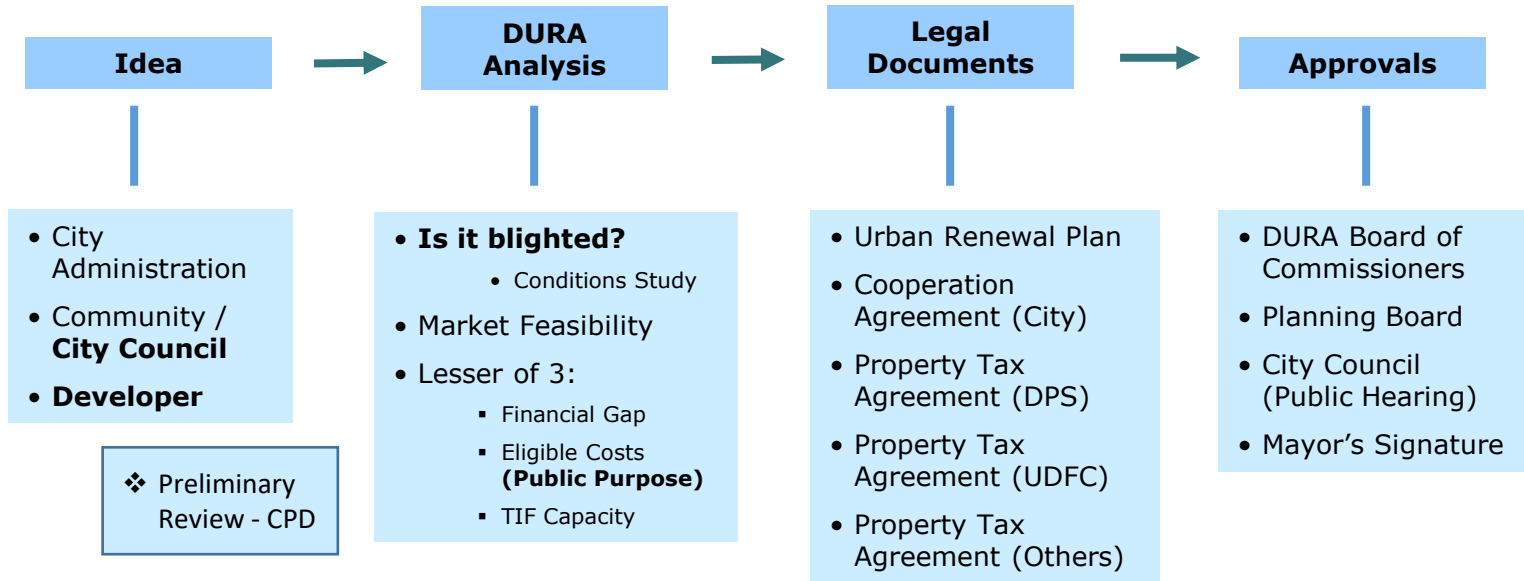
The Process...



DURA's Role in City Redevelopment



The Process...



Uses of TIF in Denver



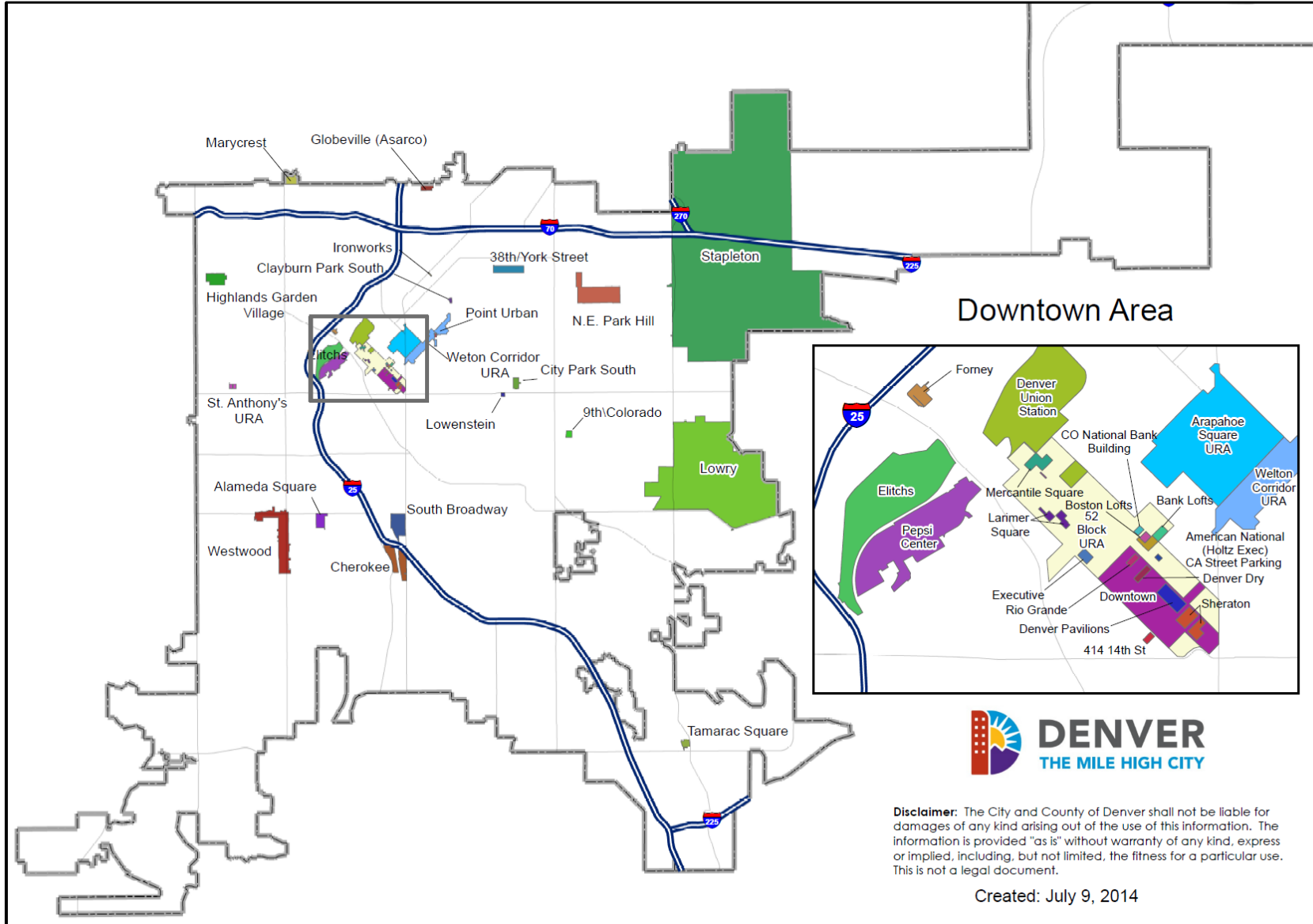
Uses of TIF in Denver



Since 1990 the City and DURA have:

- Established 38 Urban Redevelopment Areas
- Created 58 Tax Increment Areas (Property, Sales or both)
- Used TIF to support more than 74 Urban Redevelopment Projects
- Invested ~ \$1 Billion
- Leveraged ~ \$8.0 Billion in private investment
- 35 TIF Areas have been terminated
- 1 TIF Area has been modified

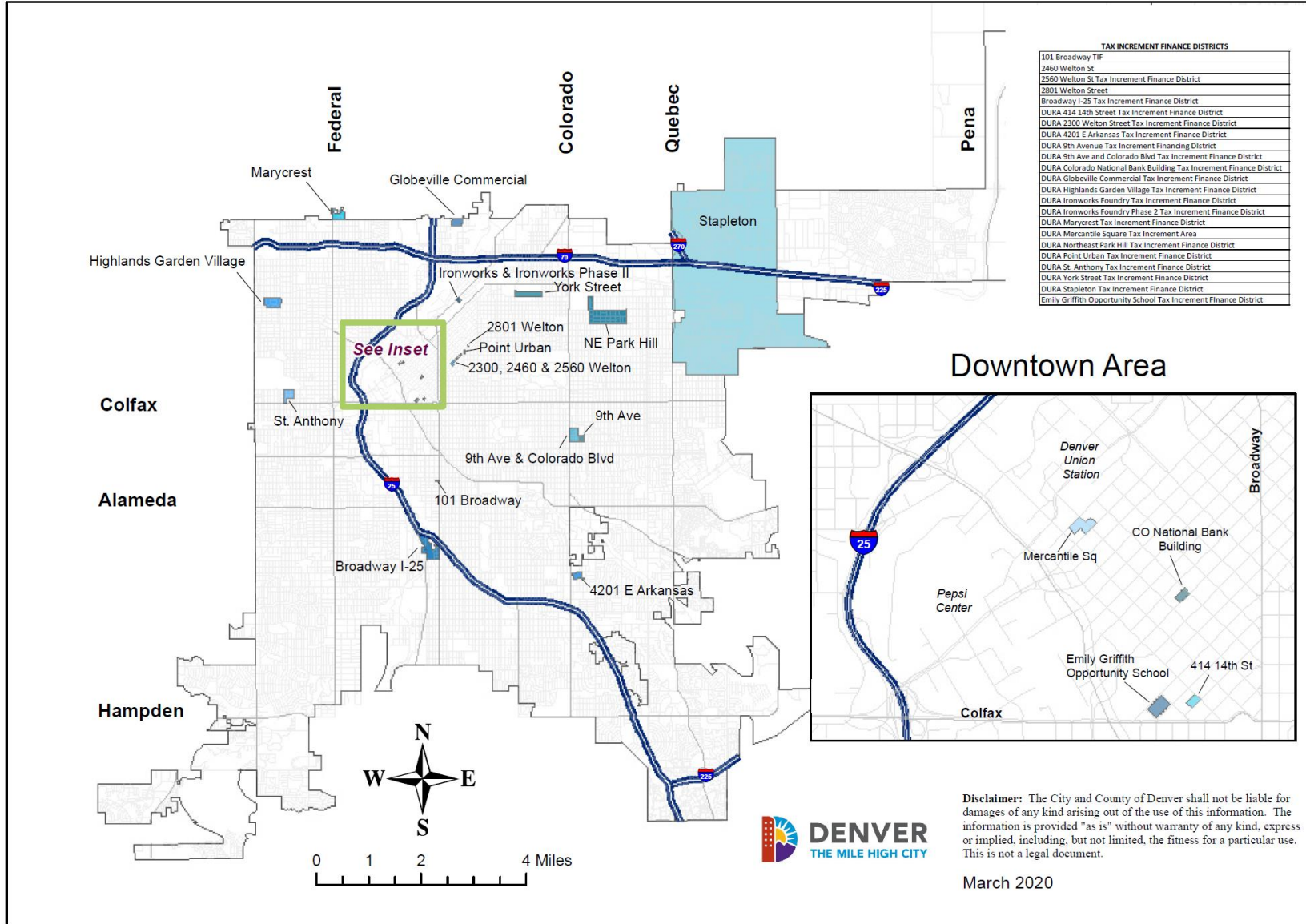
Urban Renewal Authority and Tax Increment Financing Areas



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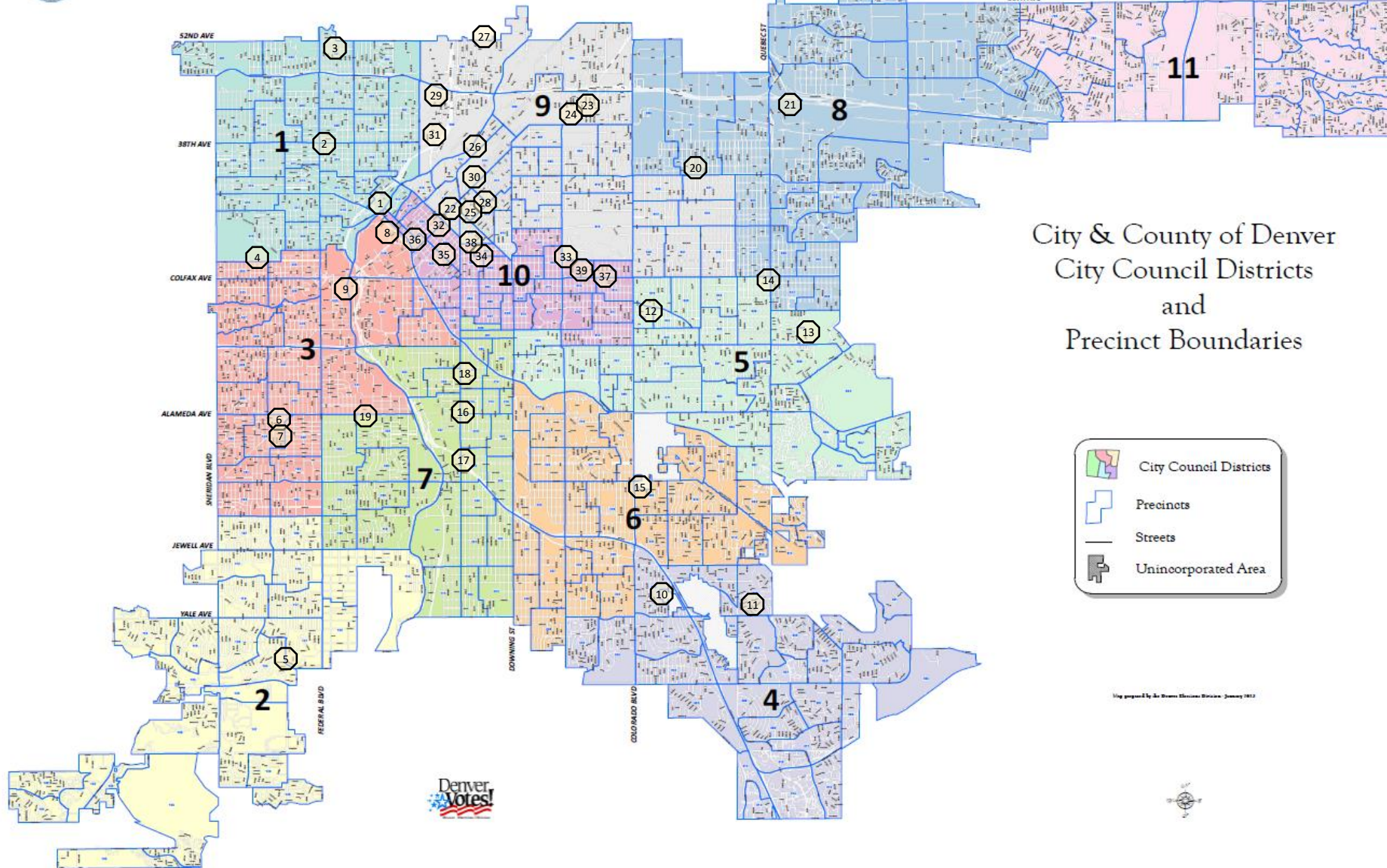
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Tax Increment Financing Areas City & County of Denver







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March 2020



City & County of Denver
City Council Districts
and
Precinct Boundaries

-  City Council Districts
-  Precincts
-  Streets
-  Unincorporated Area

Map prepared by the Denver Elections Division, January 2012



Questions?

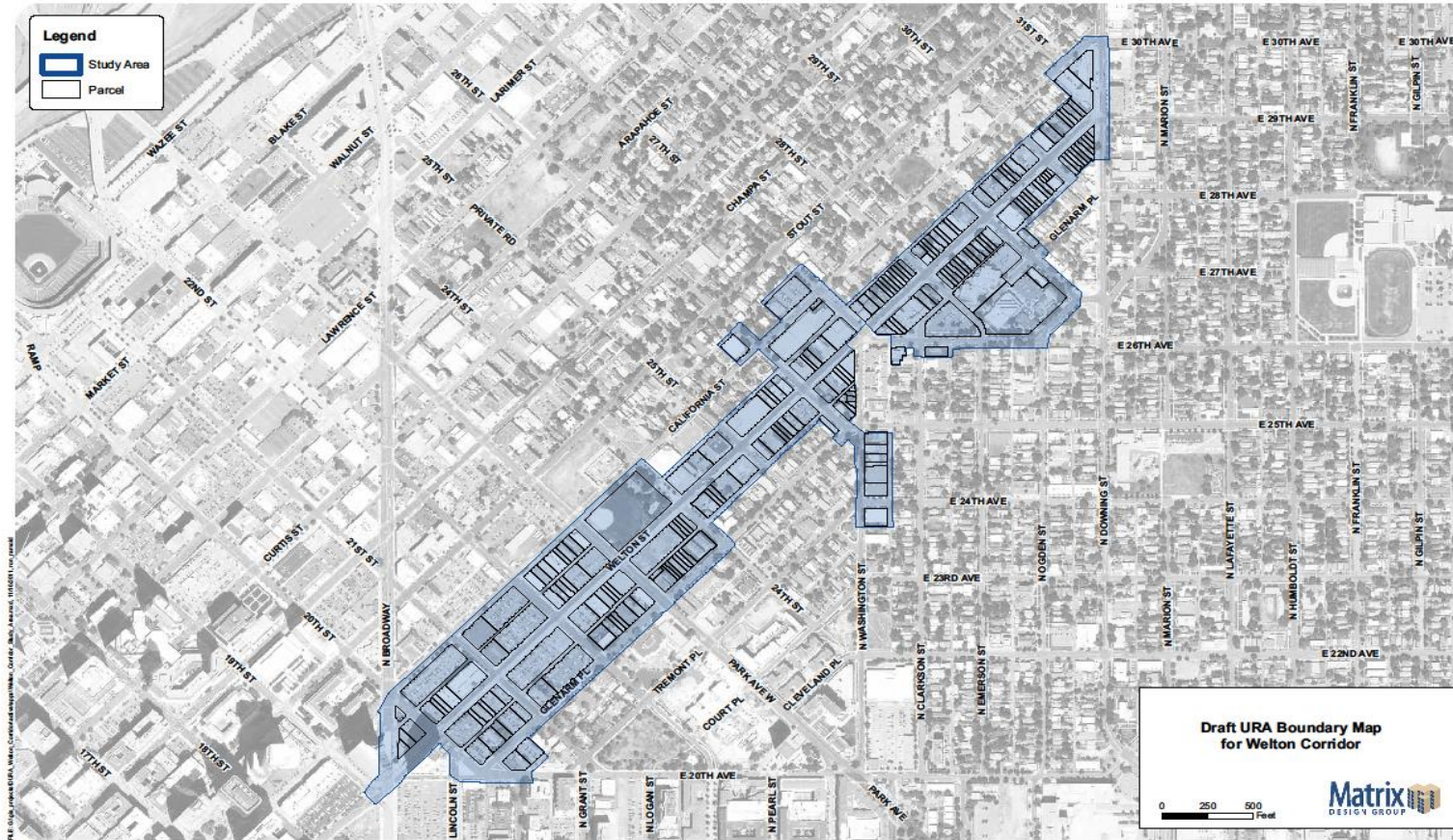




Operational Value #1 – Sound City Planning



Welton Corridor - Urban Redevelopment Plan



Operational Value #1 – Sound City Planning



Welton Corridor Urban Redevelopment Plan - Planning Efforts

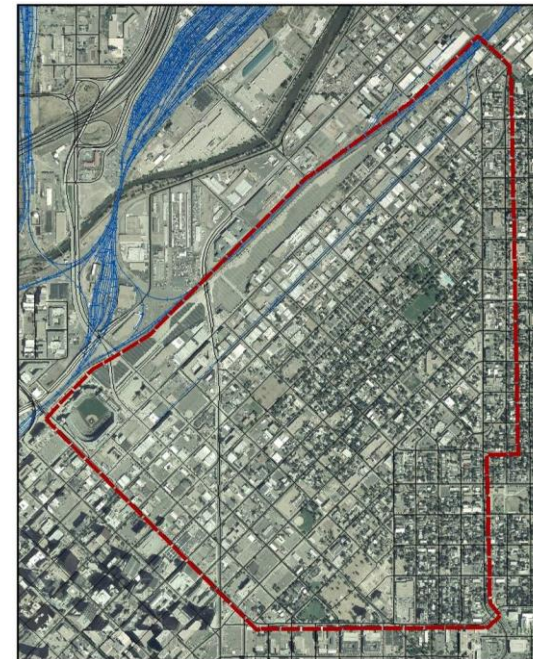
2007 Downtown Denver Area Plan

- Arapahoe Square One of Seven Transformative Projects
 - ‘Redevelop Arapahoe Square as a cutting edge, densely populated, mixed-use area that provides a range of housing types and a center for innovative businesses.’

- Recommended small area plan for Arapahoe Square

2011 Northeast Downtown Neighborhoods Plan

- Sponsored by DDP to realize Downtown Area Plan goals for Arapahoe Square
- Recommends Urban Renewal Area for Arapahoe Square
- Recommends Urban Renewal Area for Welton Corridor

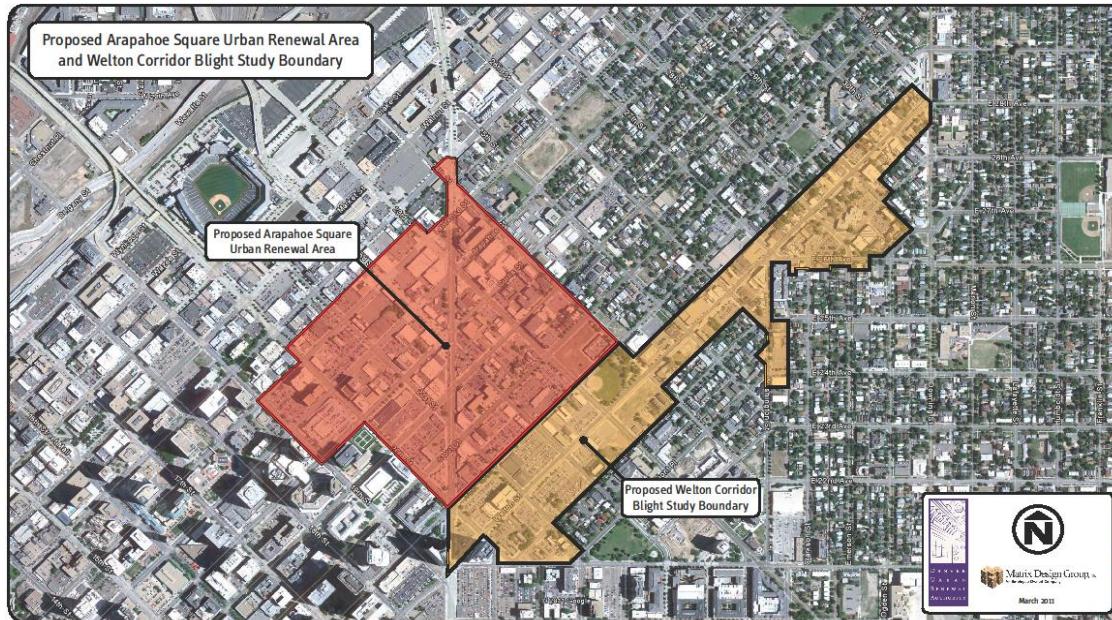


Operational Value #1 – Sound City Planning



Welton Corridor Urban Redevelopment Plan - Planning Efforts

- NEDN Plan recommends separate Urban Renewal Area for Welton corridor
- Arapahoe Square boundary shifted to California St.
- Arapahoe Square Urban Redevelopment Area approved June 2011



Operational Value #1 – Sound City Planning



Welton Corridor Urban Redevelopment Plan - Planning Efforts

- 2010 Five Points Business District starts planning process
- January 2011 Five Points Welton Street Marketplace Vision Plan & Report is completed; recommends the creation of an Urban Redevelopment Area for the Welton Corridor
- November 2011 DURA begins Welton Corridor Conditions Study
- September 2012 Denver City Council approves the Welton Corridor Urban Redevelopment Plan





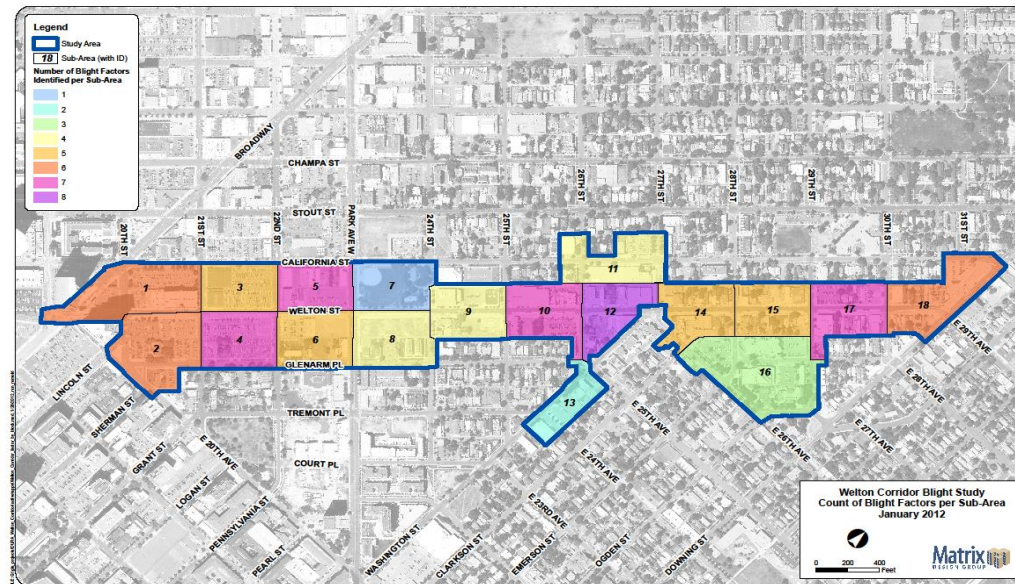
"It's easy ... blight is whatever we say it is!"

Operational Value #2– Respect Your Mandate



Welton Corridor Conditions Study

- The conditions study covered approximately 85 acres and encompassed all or portions of 29 city blocks
- Subareas were created to report results on an aggregated basis
- Four factors of blight were found in all but three subareas
- Outreach and notification to 200+ property owners in fall of 2011
- Preliminary conditions study findings presented to property owners in March of 2012
- Conditions study findings posted in August of 2012



Operational Value #2– Respect Your Mandate



Welton Corridor Conditions Study

- Blight factors identified:
 - Deteriorated Structures
 - Defective and inadequate street layout
 - Faulty lot layout
 - Unsanitary or unsafe conditions
 - Deterioration of site and other improvements
 - Inadequate Public Improvements
 - Existence of conditions which endanger life or property by fire and other causes
 - Buildings that are unsafe or unhealthy
 - High levels of municipal services or underutilization or vacancy





THE MONEY PIT .com



PRIVATE PROPERTY SEIZED. MILLIONS SQUANDERED. PHONY JOBS CLAIMS.
ENOUGH IS ENOUGH. ABOLISH REDEVELOPMENT AGENCIES NOW!

Operational Value #3 – Question the Need for Public Investment And Limit the Public's Risk



Operational Value #3 – Question the Need for Public Investment



TIF Eligible Project Costs:

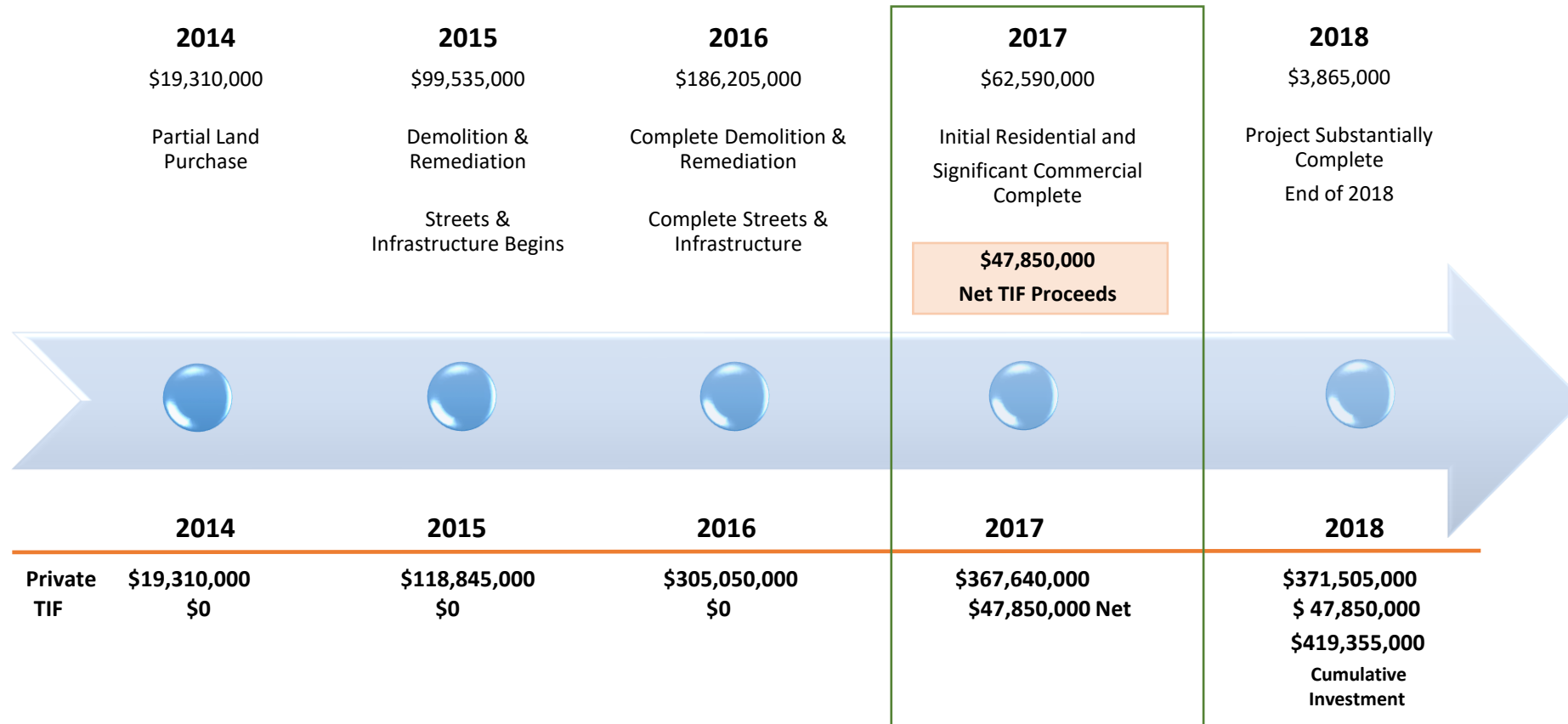
- Demolition
 - Infrastructure (Street Layout)
 - Environmental Remediation
 - Site Work
- } **Remedy Blight**
-
- Public Parking
 - Public Realm
- } **Support/Enhance Development Plan**

Goal: Amount of TIF Assistance \leq 20% of Total Project Budget

Operational Value #3 – Limit the Public’s Risk



- Most Projects Structured as Developer Reimbursement
- Bonds are Conservatively Underwritten





Operational Value #4 – Value Your Partners and Respect their Needs



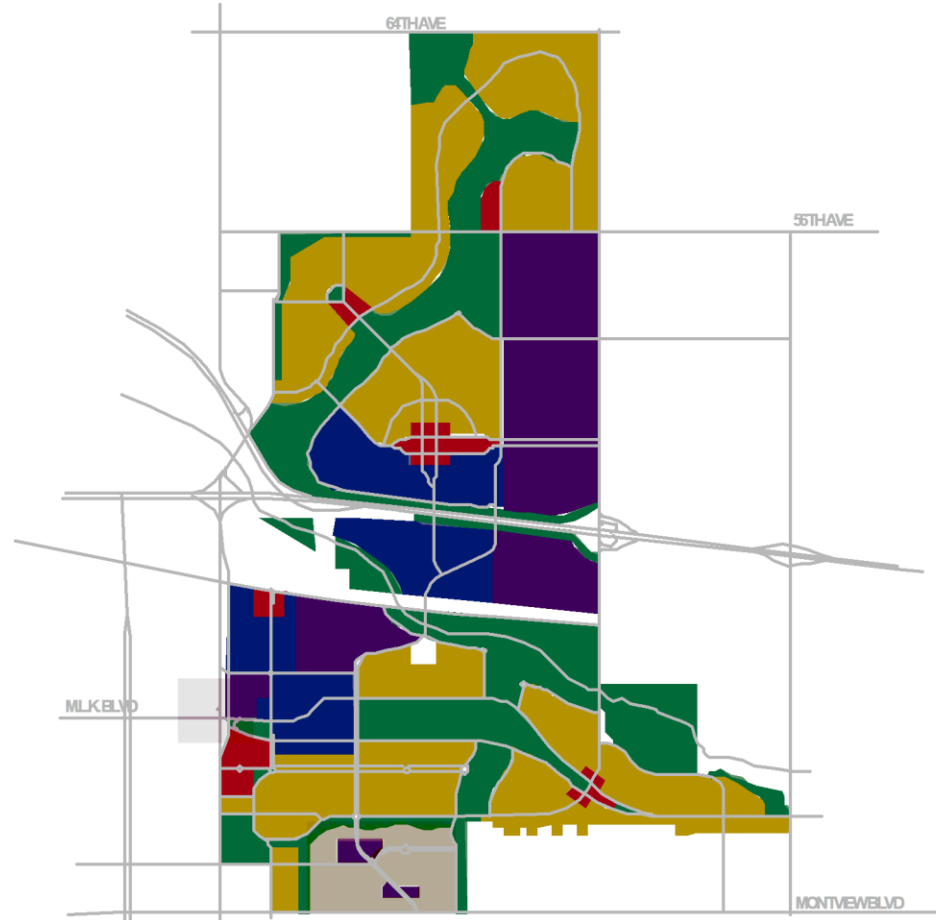
Operational Value #4 – Value Your Partners and Respect their Needs



Central Park (Stapleton) Urban Redevelopment Area

Full
Development

Approx. 2,935
developable
acres



Operational Value #4 – Value Your Partners and Respect their Needs



Central Park (Stapleton) Urban Redevelopment Area

Public Investment:

Two types of Infrastructure

Trunk (regional)

In-Tract (local)

Two Types of Financing

Tax Increment Financing (TIF)

Title 32 Metropolitan District

Operational Value #4 – Value Your Partners and Respect their Needs

Central Park (Stapleton) Urban Redevelopment Area



Trunk Infrastructure

- Roads
- Sewer
- Drainage
- Open Space & Recreation
- Community Facilities
- Water

Operational Value #4 – Value Your Partners and Respect their Needs

Central Park (Stapleton) Urban Redevelopment Area



Community Facilities (Original)

- Four Elementary Schools
- One Middle School
- Two Police Stations
- Police Academy Allowance
- One half of two Fire Stations
- Recreation Center

Operational Value #4 – Value Your Partners and Respect their Needs



Central Park (Stapleton) Urban Redevelopment Area

City Services – Allocation of TIF Revenue

<u>Years</u>	<u>Infrastructure</u>	<u>City</u>	<u>\$ Paid</u>
1-5	100%	0%	\$ 0
6-10	87%	13%	\$ 13.8 million
11-15	78%	22%	\$ 43.5 million
16-20	70%	30%	\$ 114.1 million
21-25	53%	47%	<u>\$ 193.8 million*</u>
estimated			<u>\$ 365.2 million</u>

Operational Value #4 – Value Your Partners and Respect their Needs



Not a New Concept to DURA - Early Examples:

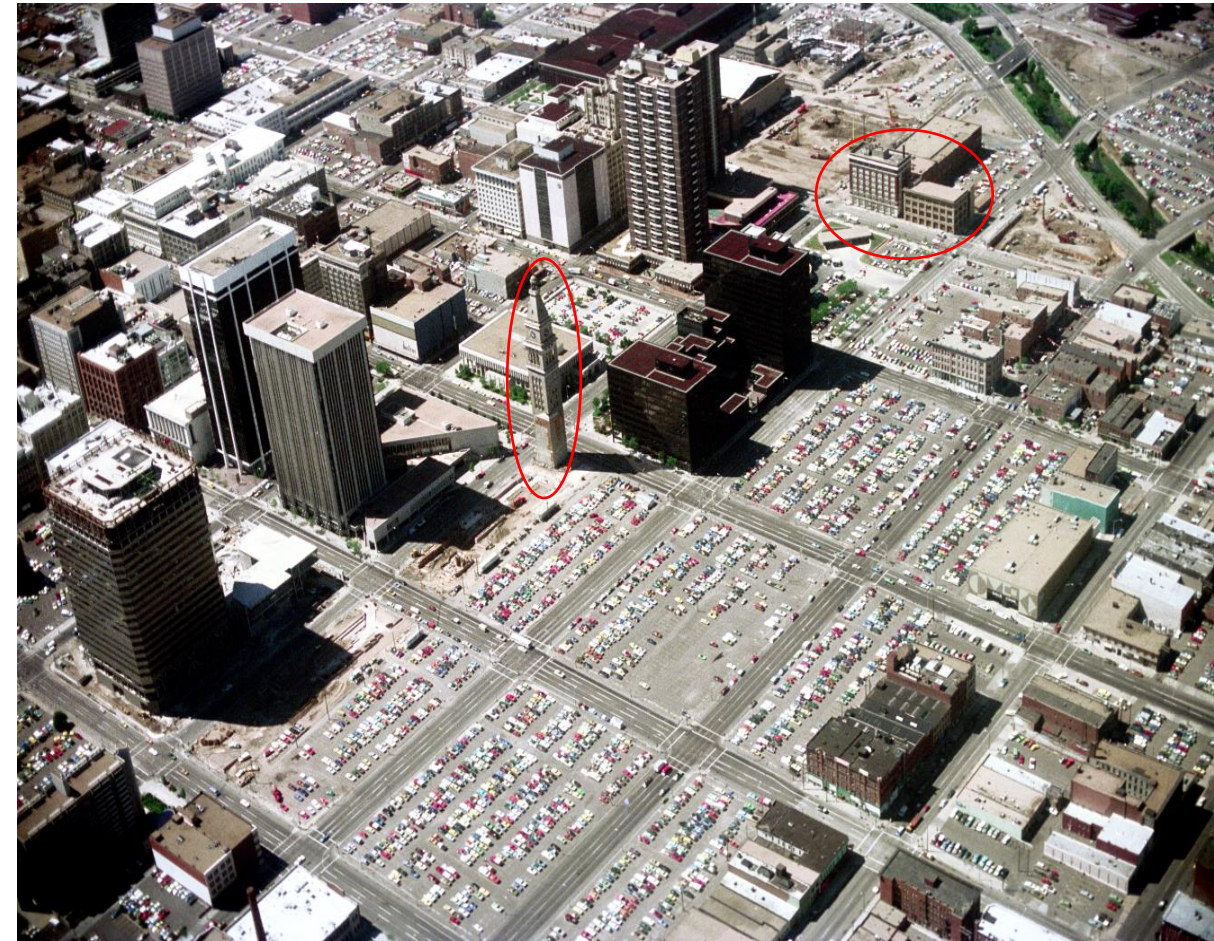
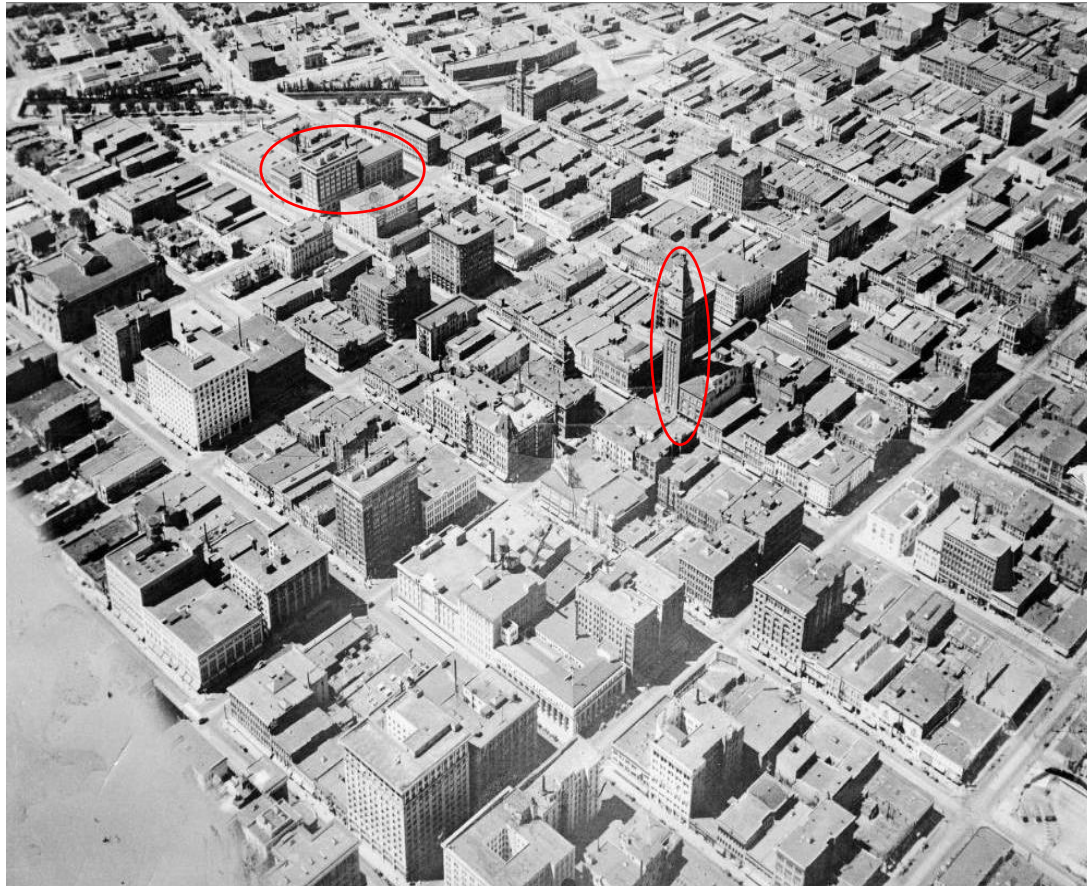
- **Welton Corridor Urban Redevelopment Area:**
 - Four Projects to Date
 - No Impact determined by other taxing Entities
- **St. Anthony Urban Redevelopment Area:**
 - Four Projects to Date (both commercial and residential)
 - \$2.5 million payment to DPS over 10 years
 - Impact calculated from total development, not just TIF supported projects
- **I-25 and Broadway Urban Redevelopment Area:**
 - \$3 million payment to DPS by December 31, 2019
 - Opportunity to revisit if development program changes
 - Metro District to maintain regional drainage until TIF terminates
 - Reimburse UDFCD staff costs
- **Globeville Commercial Urban Redevelopment Area:**
 - Multi-jurisdictional Urban Redevelopment Area
 - City & County Identified additional projects
 - Plan Amendment not required – Honoring intention of HB 1348
 - Negotiated agreement with 5 taxing entities (Denver and Adams County)



Operational Value #5 - Acknowledge the Impact of Change



The implementation of “Sound Planning” can have negative consequences:



Operational Value #5 - Acknowledge the Impact of Change



Comp Plan 2040 Vision Elements

Your Vision for Denver

You helped planners create six "vision elements" that serve as the basis for Comprehensive Plan 2040 and drive each plan's goals.

Equitable,
Affordable and
Inclusive



Economically
Diverse and
Vibrant



Environmentally
Resilient



Connected,
Safe and
Accessible Places



Healthy and
Active



Strong and
Authentic
Neighborhoods



Operational Value #5 - Acknowledge the Impact of Change



Blueprint Denver

An Equitable City

A look at our changing city through the lens of equity.



Operational Value #5 - Acknowledge the Impact of Change



DURA Strategic Plan

Mission: *DURA promotes inclusive reinvestment, equitable growth, community building, and environmental sustainability throughout Denver.*

Vision: *DURA is a valued partner in the collective efforts to*
1) create opportunity through development and redevelopment, and
2) sustain and stabilize communities throughout Denver.

Values:

- *Denver's marginalized communities deserve the most assistance*
- *Gentrification and involuntary displacement should be avoided and/or mitigated*
- *DURA contributes to neighborhood stability and preservation of community culture and heritage*
- *DURA's investments enhance the physical characteristics of transportation networks, with an emphasis on multimodal mobility*
- *DURA supports and creates economic prosperity*
- *Innovation and creativity must be cultivated*
- *Environmental sustainability, climate change resilience, and neighborhood health should be prioritized for all DURA projects*
- *All Denver residents deserve access to healthy food, opportunities for recreation and active living, safe streets and neighborhoods, and access to health care*
- *Development and redevelopment should improve community safety and well-being through activation and quality design*

Operational Value #5 - Acknowledge the Impact of Change



Current Efforts to Mitigate Unintended Consequences of Redevelopment:

- Proactively included Enhanced Housing Affordability Requirements for all TIF Supported Projects
- Currently working with City Staff, led by CPD, to identify opportunities for enhanced project outcomes if TIF is sufficient to deliver
- Continued coordination of all City Planning documents to inform Urban Redevelopment Projects
- Commitment to improved Community Engagement as Urban Redevelopment Projects are being considered

Questions?

