

Introduction

In order to effectively create and preserve affordable housing and community facilities near transit, Enterprise Community Partners (Enterprise), the city and county of Denver, the Colorado Housing and Finance Authority (CHFA) and the Colorado Division of Housing (CDOH) partnered with the Gates Family Foundation, the Rose Community Foundation, the Denver Foundation, MacArthur Foundation, the Ford Foundation, Mile High Community Loan Fund, Mercy Loan Fund, U.S. Bank, Wells Fargo and First Bank to establish the Denver Regional TOD Fund (the fund). Structured as a unique blend of risk and return requirements, the fund is capitalized with \$24 million of acquisition loan capital available to qualified borrowers with a plan to preserve and/or create affordable housing in proximity to public transit throughout the seven-county metro Denver region. The fund's goal is to support the creation and preservation of 2,000 affordable housing units by 2024 through strategic property acquisition in both current and future transit corridors.

Purpose

The Denver region is undertaking one of the nation's largest public transit expansions in the United States with the addition of new light rail, commuter rail and bus rapid transit (BRT) lines that compliment the existing public transit system. Each new line brings additional opportunities for denser, more compact, more walkable and more sustainable development, but it also brings with it substantial interest from real estate investors throughout the country and the world. With that investment comes rising land costs and rising rents, putting substantial economic pressure on low-income communities throughout the region. The Denver Regional TOD Fund is designed to allow affordable housing and community developers – nonprofits, for-profits, and housing authorities alike – to acquire and hold strategic transit-accessible properties for preservation or future development purposes. By providing flexible financing terms and a streamlined underwriting and closing process, the fund allows qualified borrowers to react to opportunities and compete with other potential buyers who may not have affordable housing in their plans. With commitments from our foundation, bank, community development financial institutions and community development partners, we have a once-in-a-lifetime opportunity to ensure that the region's expanded transit system truly benefits people from all socioeconomic backgrounds, providing access to affordable homes and ultimately to jobs, education, services, better health and the opportunity for a higher quality of life.

Early Success

Prior to expanding to a regional, multi-borrower resource in late 2014, the TOD Fund operated only in the city of Denver and with a single borrower, the Urban Land Conservancy (ULC). In just three years, ULC was able to deploy over \$15 million to make eight acquisitions throughout the city, creating a pipeline of 570 affordable homes, a new public library, and well over 100,000 square feet of supportive commercial and nonprofit space, all in close proximity to public transit. Four loans have already been repaid to the fund, allowing money be recycled into future acquisitions, creating additional leverage for all the fund's investors.

<u>Project</u>	<u># Affordable Homes</u>	<u>Purchase Price</u>	<u>Fund Loan</u>	<u>Equity</u>
Dahlia Apts.	36 existing homes	\$1,212,750	\$1,000,000	\$ 212,750
Yale Station Apts.	66 units under construction	\$1,325,000	\$1,192,500	\$ 132,500
Mile High Vista	80 new units completed	\$2,140,000	\$2,115,000	\$ 25,000
Evans Station Lofts	50 new units completed	\$1,197,900	\$1,078,000	\$ 119,900
Villa TOD	16 existing homes	\$1,350,000	\$1,246,500	\$ 103,500
Blake TOD	154 units planned	\$1,700,000	\$1,530,000	\$ 170,000
West 11th	12 for-sale units planned	\$ 350,000	\$ 324,000	\$ 26,000
Park Hill Village W	156 units under construction	\$6,000,000	\$ 3,700,000	\$2,300,000
Total*	570 units preserved/created	\$15,275,650	\$12,186,000	\$ 3,089,650*

*Does not reflect additional investments in renovations, infrastructure, acquisition and operating costs.

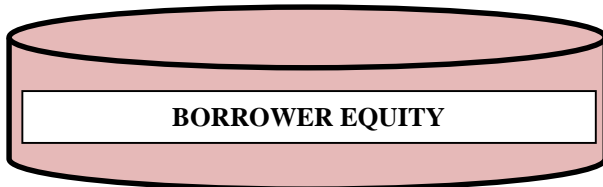
Contact:

Brad Weinig

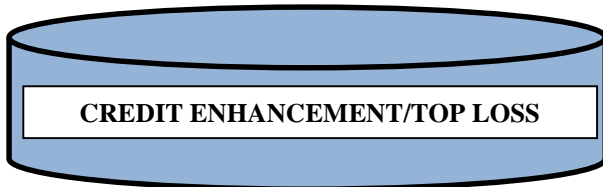
Enterprise Community Partners

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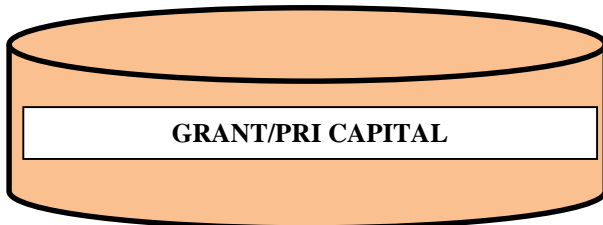
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Fund Structure (Simplified)

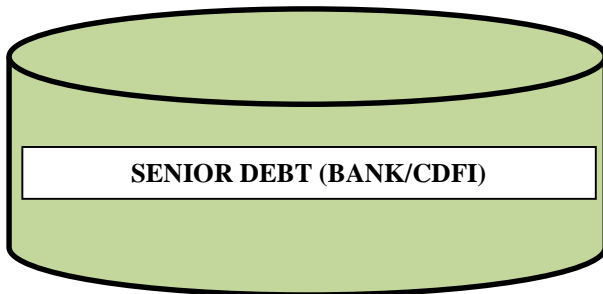
- Borrowers contribute at least 10% cash equity for each property acquired utilizing the fund
- Responsible for putting together development plan and permanent financing



- Public/Quasi-public dollars leverage private capital by providing credit enhancement via loan-loss absorption and low returns
- City of Denver, CHFA, CDOH



- Foundation/Philanthropic capital, typically lent via Program Related Investments seeking modest financial return
- Maximizes impact via leverage and return of capital



- More traditional loan capital from banks and CDFIs
- CRA-eligible lending
- Brings real estate transactional expertise and oversight
- Enterprise Community Loan Fund is fund manager, lends its own capital

Benefits of Structure

- Loan terms up to five years
- Up to 90% Loan to Value (LTV)
- Interest-only at low interest rate (3.7% - 4.1%)
- Limited recourse to borrowers
- Delegated and expedited underwriting process allows borrowers to execute quickly

Eligible Uses

- Multifamily rental housing at 60% AMI and below
- Multifamily for-sale housing at 95% AMI and below
- Mixed-use and mixed-income communities when appropriate

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