



## 2015 Challenges of Building Affordable Condos in Colorado

The Urban Land Conservancy (ULC) always envisioned that a number of our sites in Metro Denver would have a mix of affordable housing types, but the reality is that only multi-family affordable rentals are getting built, as none of our take out/ development partners can afford to build affordable condos. For example, Denver's \$15M TOD Fund (now the \$24M Regional TOD Fund) has been fully deployed at 8 transit sites, producing **600+ affordable rental apartments**, but **no condos**. ULC has invested over \$66M in 26 properties, many of which are located near rail stations or high frequency bus lines, but to date no affordable condos are in development. Specific ULC sites that would benefit from a mix of affordable housing including condos are:

1. **Yale Commons** on the SE Line at Yale Station: Our development partner was awarded 9% tax credits in the first round of 2014 and is building 66 affordable rental apartments on part of the site. (1) **Yale Commons II** is adjacent to Yale Station and would be ideal for entry level home ownership to complement the rental housing.  
- **Up to 80 affordable condos could be built**, but the cost to insure makes it prohibitive.
2. **Sheridan Station** on the West Line: This is multi-phase development on 3+ acres needs a mix of housing types including affordable condos. To date our development partners can only do rental housing as they cannot afford to do entry level condos on the site.  
- **Up to 125 affordable condos could have been built.**
3. **38th & Blake** on the East Line Station: Ideal site for a mix of affordable rental and condos given the redevelopment taking place in the area. Our development partner is only able to do affordable and market rate multifamily rental housing...far too expensive to build affordable condos.  
- **Up to 100 affordable condos could have been built at this site.**
4. **Park Hill Village West** next to Colorado Blvd. & 40<sup>th</sup> Station on the East Line: Largest land bank site for ULC, with 9.4 acres. To date, 156 affordable rental units are getting built 2.5 acres by Del West using 4% tax credits. (1) No developer has stepped forward with an affordable condo proposal for the balance of the site.  
- **Up to 300 affordable condos could be built on 6.9 acre site.**
5. **11th & Sheridan** along the West Line: One acre site that could have **up to 50 affordable condos**. Rocky Mt. Communities (RMC), our development partner, has been unsuccessful in getting 9% credits for rental housing. RMC cannot go with an alternative plan to build affordable condos as the insurance is cost prohibitive
6. **25<sup>th</sup> & Stout**: Located along 25<sup>th</sup> and Stout Street, this infill development opportunity sits directly next to a bus stop along Stout and 2 blocks from the Welton Light Rail Station. Our development partner is proposing to build only 6 town homes as its cost prohibitive to do a denser affordable condo development.
7. **Caledonian** – this land assemblage at 20<sup>th</sup> and Glenarm is a joint development with St. Andrew's Church. We are currently reviewing development proposals and a portion of the site would be ideal for **100 affordable condos**, but they will not be developed because of the high cost to insure.

## **Over 750 Affordable Condos are not getting built at 7 ULC sites**

1. **9% and 4% tax credits are the only major sources of equity for affordable housing. 9% credits have become highly competitive at CHFA, for every 6 applications, only 1 is awarded tax credits. 4% Credits are not competitive, but they require additional subsidy of at least \$25K per unit to reach households at below 50% AMI**