Urban Land Institute – ULI Colorado

Six Principles for Equitable Revitalization

A report from the ULI Colorado forum,
The Search for Equity in Neighborhood Revitalization
March 3, 2017, at the Mile High United Way, Denver

Urban Land Colorado Institute

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A report from the ULI Colorado forum, *The Search for Equity in Neighborhood Revitalization* held March 3, 2017, at the Mile High United Way, Denver

Egbert Perry of the Integral Group keynotes the March 3rd Forum and takes questions from the audience.

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Introduction: The Search for Balance

While the term "gentrification" dates to the 1960s – when a British sociologist named Ruth Glass observed that "one by one, many of the working class quarters have been invaded by the middle class – upper and lower" – the rapid transformation of formerly low-income neighborhoods has only recently become a defining issue for a growing number of American cities, including Denver.

To be sure, some urban centers experienced a prior era of gentrification in the 1960s and 1970s, driven mostly by "brownstoners" – young professionals who saw opportunity in restoring run-down urban houses – and artists attracted to affordable spaces in interesting buildings and neighborhoods.

On the one hand, it seems clear that gentrification is happening in, and in many respects benefiting, communities that have suffered from sustained periods of disinvestment and decline.

If the current wave of gentrification, which has risen steadily over the past decade, feels different, it is. A new body of scholarship shows that gentrification is happening in more places, more quickly, on a larger scale, and with more profound economic and demographic ramifications than ever before. The causes and consequences are more nuanced – and get to the heart of ULI's mission.

The causes are tied to the powerful forces that have spurred a revitalization of urban centers across the U.S. (and much of the developed world): decades of efforts by mayors, business leaders, and countless community residents to make central cities safer and more appealing places to live;, and an undeniable interest in more urban living from the best educated and most affluent members of the Millennial Generation and Generation X, among others.

The consequences are varied and resist simplistic explanation. On the one hand, it seems clear that gentrification is happening in, and in many respects benefiting, communities that have suffered from sustained periods of disinvestment and decline. Recent research suggests that lower-income residents of gentrifying areas who are able to remain do better off financially as their community improves.

On the other hand, gentrification can and sometimes does lead to the displacement of low-income residents, who are often worse off financially in their new neighborhoods. While researchers have had a harder time quantifying displacement driven by gentrification, one thing is clear in much of the newer analysis: gentrification today is much more associated with sharp increases in rents and home values – common precursors to displacement – than in the past.

On the other hand, gentrification can and sometimes does lead to the displacement of low-income residents, who are often worse off financially in their new neighborhoods.

Also plain to see in any number of gentrifying neighborhoods is a rapidly changing racial and ethnic composition. In fact, some formal definitions of "gentrification" include increases in the percentage of white households, along with those of average income, education levels, and housing costs. Residents of color in gentrifying areas often understandably worry not just about the economic consequences, but also a loss of their community's history and heritage.

Economist Jed Kolko's work has shown that the highest-earning 10 percent of Americans are 12 percent more likely to live in the densest urban neighborhoods than they were in 2000, while the poorest 10 percent are 17 percent less likely to do so. The "great inversion" identified by Alan Ehrenhalt in his 2012 book of the same title described "an age of affluent inner neighborhoods and immigrants settling on the outside." Poverty, while still persistent in the inner city, also continues to suburbanize, in Denver and elsewhere.

Gentrification, that most spatially specific phenomenon, plays out as part of the broader, dynamic evolution of metropolitan areas. Displacement pressures in one neighborhood may end up pushing poverty to another; a new retail hotspot may pull customers away from an older commercial zone – affecting businesses as well as local tax bases. The question of "what to do" about gentrification becomes a question of how to ensure more inclusive prosperity throughout a region, through public policy as well as market-based solutions.

No region experiencing an urban revival has completely cracked the code to unlock a more inclusive pattern of growth and development. There are, however, emerging efforts that appear to show promise, several of which exist or are being developed in and around Denver. They include:

- Forward looking, data-driven assessments of where gentrification and resulting displacement pressures may most likely occur, such as the Denver Office of Economic Development's neighborhood typology, mapping, and tracking system.
- Financial capital to preserve existing low-cost housing and acquire sites for workforce housing development near transit and jobs, such as the Denver Regional Transit Oriented Development Fund, and to fund new construction, such as the city's recently approved 10-year, $150 million housing fund.
- Public-private partnerships that bring a regional perspective and resources to expanding opportunity such as Mile High Connects.
- Investments in human capital, ranging from successful initiatives by the Denver Public Schools, recently recognized for having the second-highest academic growth among large U.S. school districts, to career pathways and asset-building support systems.

Finally, as regions – and neighborhoods – work to balance desired reinvestment with concerns of social equity, and appropriately focus on strengthening neighborhoods, the challenges of investing in areas that remain distressed require continued attention as well.

Egbert Perry, Founder and CEO of the Integral Group and keynote of the ULI Colorado forum, "The Search for Equity in Neighborhood Revitalization" in March 2017, discussed key principles for equitable revitalization captured in this report. The remarkable work of the Integral Group, with offices in Atlanta, Denver and other cities, shows that all communities can benefit from inclusive redevelopment.

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Stockton Williams

Executive Vice President of ULI and Executive Director, ULI Terwilliger Center for Housing

ULI Terwilliger Center for Housing

Stockton Williams is Executive Vice President of ULI and Executive Director of the ULI Terwilliger Center for Housing. Mr. Williams has executive management responsibility for ULI's member-driven program of research and analysis on housing and communities, real estate finance and investment, urban sustainability, development practice, and shaping cities and regions. He is most recently the co-author of the ULI publications *The Economics of Inclusionary Development* and *Housing in the Evolving American Suburb*. He is a frequent commentator on housing issues in the media and an advisor to local communities across the U.S. Before joining ULI in January 2015, Mr. Williams was Managing Principal of the Washington, D.C. office of HR&A Advisors. He also served as Senior Advisor in two Federal Cabinet agencies: the U.S. Department of Housing and Urban Development and the U.S. Department of Energy. He also been Senior Vice President and Chief Strategy Officer at Enterprise Community Partners; a Senior Advisor at Living Cities; a Senior Legislative and Policy Associate at the National Council of State Housing Agencies; and a developer of affordable housing. Mr. Williams is Chairman of the Board of Groundswell, a community solar organization serving low-income communities. He holds an M.S. from Columbia University and a B.A. from Princeton University.

About the ULI Terwilliger Center for Housing. The Center conducts research, performs analysis, provides expert advice, and develops best practice recommendations that reflect the residential land use and development priorities of ULI members in all residential product types, with special attention to workforce and affordable housing. The Center integrates ULI's wide-ranging housing activities into a program of work that furthers the development of mixed-income communities with a range of housing options.

The D Line through Five Points. Transit brings both new opportunities and pressures to older neighborhoods. (Courtesy Kevin J. Beaty/Denverite)

The challenge for real estate and land use leaders is creating conditions for revitalization without triggering the displacement pressures associated with gentrification.

The Five Points Jazz Festival celebrate the neighborhood's African-American heritage. (Courtesy Kevin J. Beaty/Denverite)

Overview: Six Principles for Equitable Revitalization

Neighborhoods are booming in Metro Denver, but not everyone is benefiting. Thanks to in-migration and a strong economy, walkable and mixed-use developments are sprouting up around transit stations in established neighborhoods and suburbs alike. From Aurora to Westminster and beyond, new investment is strong and home prices are rising.

And more people are coming. In 2017, Metro Denver will likely grow by 60,000 people.[1] They're coming to work, in tech and as teachers. They're coming to live without a car, next to the light rail, a short walk from the grocery. They're coming for the "green rush," to play in the Rockies, and to raise families.

In response, developers are transforming formerly distressed neighborhoods into sparkling mixed-use developments. In such areas, the tax base is growing, crime may drop, and city and retail services and amenities often improve.

Still, construction started on 11,038 new homes throughout the Denver market in 2016, not enough to keep up with demand. As a result, home prices keep rising. Houses priced above $400,000 now represent 68 percent of the market, and those priced above $500,000 represent 27 percent – both all-time highs for the Denver metro area.[2]

With home prices rising faster than incomes, the pressure on established neighborhoods has become intense.[3] Without policy tools in place and strategic approaches from developers, the plight of displacement can undermine the benefits of urban redevelopment by pricing out the people, organizations, and cultural amenities that draw new residents in the first place.

Many longtime residents feel the culture of their communities is at risk. And when people are driven out, they may need to opt for longer commutes, which increases traffic congestion and fosters sprawl—increasing service costs in outlying areas.

Of the Denver Census tracts "eligible to gentrify," 42 percent did so between 2000 and 2014, according to a 2016 study by the Denver Office of Economic Development (OED) on mitigating involuntary displacement.[4] In addition, about 87,000 households pay more than 30 percent of their income on housing, making them "cost-burdened," according to city officials.

The challenge for real estate and land use leaders is creating conditions for revitalization without triggering the displacement pressures associated with gentrification.

Gentrification is often described as development or investment that attracts new residents while displacing those who currently live there. Rising rents and property taxes are the usual culprits of involuntary displacement.

Revitalization should bring new investment into neighborhoods, while providing for housing preservation, new mixed-income housing, and employment opportunities that benefit current residents.

Often with both revitalization and gentrification, buildings are rehabbed and upgraded, parks spruced up, schools and infrastructure refreshed, possibly with new transit and bike lanes. But only revitalization offers the continuity essential to the ULI mission "to provide leadership in the responsible use of land and in creating and sustaining thriving communities."

"ULI's membership has been a part of the problem and can be a part of the solution," said Michael Leccese, executive director of ULI Colorado, to kick-off the solution-oriented ULI forum, "The Search for Equity in Neighborhood Revitalization" in March 2017 at Mile High United Way.

"ULI's membership has been a part of the problem and can be a part of the solution."
– Michael Leccese, executive director, ULI Colorado

The public pool at Globeville's Argo Park. Globeville is a North Denver neighborhood, bisected by I-25, experiencing rapid growth and rising home prices.
(Courtesy Kevin J. Beaty/Denverite)

A Model for Community-Building Development

Egbert Perry, founder and CEO of the Integral Group, has been working on equitable revitalization. In the early '90s he helped design the community-building model of mixed-income, mixed-use urban developments that many cities strive for today. Since then, Integral has invested more than $2 billion in community developments across the country.

Integral is "focused on building communities, and at the center of communities are people," Perry said during his keynote. Private development can provide long-needed assets that benefit people — schools, storefronts, grocery stores and homes — to neighborhoods that in recent history relied on public dollars and services.

"Integral is focused on building communities, and at the center of communities are people."
– Egbert Perry, president, Integral Group

Bike to Work Day in Denver's Lower Highlands, a rapidly gentrifying neighborhood. (Courtesy www.denver.org)

"Gentrification is something that, if you're living in a community that doesn't have services, you should want," Perry said. "If you think about what revitalization is, you're really trying to get the community to a point where the market forces are restored. Until then, the ability to bring in or build the quality-of-life infrastructure, which makes a community a community, is largely dependent on subsidy, because [market] forces are not at work to drive change."

Why should developers want to be part of the solution, including affordable and workforce housing into their product mix? For one, Perry said, they're responding to the market's "taste buds" in ways that can help them shape and market their product. While the demand

A 2nd-grade class races past the iconic mural on the building shared by the Sun Valley Youth Center and Tha Myx International church in Denver's Sun Valley neighborhood. (Courtesy Denver Post)

Mixed housing, old and new, in Denver's historic Curtis Park neighborhood. (Courtesy Denver Infill Experts)

for market-rate housing can fluctuate wildly, affordable and workforce units are always in demand.

Affordable and workforce housing adds value. Providing a mix of housing helps create the kind of multifaceted, diverse communities that urban dwellers want. Without affordable housing nearby, local industries lose access to talented workers who are priced out or unable to make long commutes.

"Walkability, knowing your neighbor — we need to reintroduce those things. If you're responding to the market, you're by definition already addressing some of the essential elements of an interactive, socially healthy community," said Perry.

Perry grew up in Antigua, and he was poor. But that was news to him. "I had a perspective of growing up in heaven on earth," he said. "Until I came to this country, I absolutely did not know that we were poor… Poverty in the islands really wasn't a crime. Poverty here is a crime."

Since completing projects all over the U.S., Perry has found that the public sector has diverse responses to housing issues.

"Policymakers now face the challenge of deliberately and proactively enabling the creation of mixed-income neighborhoods with opportunities for renters and homeowners alike to stay in the city and participate in its well-established neighborhoods," states *Mitigating Involuntary Displacement*, the Denver OED report. "Such a strategy means not only mitigating involuntary displacement of existing residents, but also investing to ensure that long-time residents can access and benefit from opportunities created by economic growth."

Mitigating displacement while revitalizing neighborhoods requires developers who are not just selling a building, but a neighborhood and a community, which can benefit their bottom line. To incentivize this kind of development, cities need robust policies that support the creation of new affordable homes and preserve existing ones. Policymakers can help developers swim with the current of what the city needs and wants, as opposed to against it.

"I had a perspective of growing up in heaven on earth. Until I came to this country, I absolutely did not know that we were poor… Poverty in the islands really wasn't a crime. Poverty here is a crime."

– Egbert Perry, president, Integral Group

1 Transformations, not transactions

Housing, people and profit can co-exist.

Aside from affordable housing, chances are that gentrifying neighborhoods lack what Perry calls "quality-of-life services"—grocery stores, day care, health centers, and small businesses within walking distance. Communities without services want them, but cannot rely on government subsidy to get them.

It's in developers' interest to partner with municipal governments and nonprofits to create neighborhood assets, said Perry.

"You have to care enough, and care little about the money associated with taking on what we call these quality-of-life infrastructure components, in order to put that community in place," Perry said. "And you may not make any money doing that at first. But if you're lucky, you'll make some money doing the real estate development side of it."

People of all ages and incomes — particularly Millennials and older adults — want to live in walking distance from everyday needs. By providing a richer, more complex mixed-use product, developers who respond to that market, working with the community to identify what it needs, and partnering with businesses and government departments to build them, can reap additional financial rewards.

"It's in developers' interest to partner with municipal governments and nonprofits to create neighborhood assets."

– Egbert Perry, president, Integral Group

The Ashley at Union Station, developed by the Integral Group, is the first mixed-income project in Denver's Union Station Neighborhood. The 107 apartments include 75 income-restricted units just blocks from the revitalized transit center in Lower Downtown. (Courtesy The Integral Group)

Case Study

$100 to Build Community

Take Westwood, a Denver neighborhood that's 81 percent Hispanic with a median income of $36,300—about half that of the rest of the city—and susceptible to gentrification. Gorman and Company, a Wisconsin-based developer with Colorado projects, built Terraza del Sol, a 42-unit affordable housing development for those earning 30 to 60 percent of the area median income, with 20,000 square feet of commercial space on the ground floor.

Gorman sold that space to Mi Casa, a nonprofit dedicated to "advance the economic success of families with limited opportunities, as an organization grounded in our Latino heritage," for $100. It's the organization's new headquarters.

The idea for Terraza del Sol came out of conversations with local city councilman Paul Lopez, who Kimball Crangle, the project developer, said was concerned about gentrification.

"There's richness and context to a neighborhood that's diverse and that's good for our bottom line," said Crangle. "The building is full. We knew that in Westwood there was a big need for anchor services."

Providing access to those services and maintaining affordability for residents has allowed Gorman to gain financing through the Colorado Housing and Finance Authority, the State of Colorado Department of Local Affairs, the Denver Office of Economic Development, the Denver Urban Renewal Authority, Citibank and Enterprise Community Partners, Inc.

Community members of the Westwood neighborhood holding locally grown produce for Denver's first community-owned grocery store in a known food desert. Image courtesy of RE:VISION, a food co-op and educator whose mission is to work with people in economically marginalized neighborhoods to develop resident leaders, cultivate community food systems, and create an economy owned by the community. (Courtesy RE:VISION)

Terraza del Sol is a mixed-use development in Denver's Westwood neighborhood that includes 42 mixed-income housing units and the Mi Casa Resource Center on its ground floor. (Courtesy Gorman & Company)

"Knowing that we're helping to stabilize a neighborhood, keep people in place, continue providing services that are important to their economic mobility and their social well-being — that's valuable."

– Kimball Crangle, Colorado market president, Gorman & Company

2 the gift of time

With the luxury of time, you can anticipate market changes and plan accordingly.

Engaging residents very early on — pre-project — gives community members time to weigh in on the process with a better chance of enjoying the results. Meanwhile, developers get time to understand community needs, organize land deals, and strategize development in a way that can protect current residents from displacement, and provide mixed-income housing and community amenities for residents new and old.

You need "the gift of time" for this approach, said Chris Parr, senior advisor of the Sun Valley EcoDistrict, a nonprofit affiliate of the Denver Housing Authority (DHA). Sun Valley is Colorado's poorest neighborhood, but boasts under-used assets like a light rail station and riverfront access.

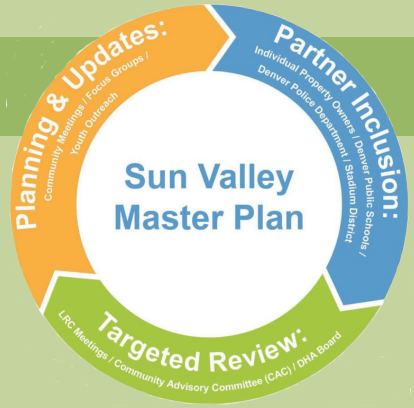
The neighborhood is destined for hundreds of millions of dollars in public and private investment, including the redevelopment of 333 public housing dwellings and 750 new mixed-income apartments. More than 60 percent of these new apartments will be priced affordably for residents making 60 percent of area median income or less. These homes, along with public investment in things like markets and parks, will likely entice market-rate development as well.

"Buy a bunch of land before investors are willing to come in," Parr said.

"We released the pressure valve for the market to come in after we had assured ourselves that we will replace all of the affordable units."

– Chris Parr, executive director, Sun Valley EcoDistrict

Case Study



A Bright Future in Sun Valley

Located near Mile High Stadium and the Decatur-Federal light rail station, Sun Valley is a racially diverse neighborhood with 21 percent of residents born in another country. Here in Denver's poorest neighborhood, the median household income is just under $10,000, and 55 percent of residents are kids. Unemployment is at 70 percent.

DHA and other agencies mapped out Sun Valley's future early and incrementally. A station area plan and general development plan laid the groundwork for the Choice Neighborhood Initiative planning grant, a $30 million boost from the U.S. Department of Housing and Urban Development.

Private investment alone may have dictated Sun Valley's future. Instead, DHA acquired 9 acres of land for mixed-income housing, an international food market, sports fields, parks, and micro-businesses. These assets translate to a healthier community, a vibrant local economy, and jobs for locals.

Typical "replacement housing schemes," in which residents are moved while their homes are torn down and rebuilt, generally re-capture no more than half of the previous residents. The rest usually scatter. Critically, DHA and partners will build the 333 replacement homes for Sun Valley before tearing down existing homes.

Denver Housing Authority created the Sun Valley EcoDistrict, a nonprofit subsidiary, to act as master developer of the 80-acre neighborhood. This image shows 750 units of city-owned affordable mixed-income housing, an education hub, new parks, new commercial space for small businesses and an international, and a healthy-food market, South Platte River improvements to integrate the neighborhood and waterfront. Solar and geothermal energy will be used to power the neighborhood. (Courtesy Sun Valley EcoDistrict)

Grow Priority Areas & Goals

Priority Area 1 — Youth + Education

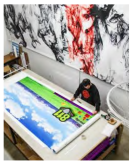
Goals
- 1.1 Prioritize family and youth
- 1.2 Learning Campus for all ages
- 1.3 Expand youth programing and youth amenities
- 1.4 Neighborhood Learning Lab
- 1.5 Shared Use Future Development Opportunities

Priority Area 2 — Food

Goals
- 2.1 Celebrate culture
- 2.2 Economic Opportunity through Food
- 2.3 Cultivate community amongst neighbors
- 2.4 Placemaking through Food
- 2.5 Healthy lifestyles
- 2.6 Neighborhood Identity

Priority Area 3 — Opportunity

Goals
- 2.1 Create a nexus of culture and food
- 2.2 Invest in local and new businesses
- 2.3 Develop strong community partnerships
- 2.4 Attract and leverage investments
- 2.5 Increase jobs in the neighborhood
- 2.6 Increase commercial space in neighborhood
- 2.7 Attract entrepreneurs by providing maker spaces
- 2.8 Include an integrated job training facility



Priority Area 4 — Intentional Housing

Goals
- 4.1 Replace all DHA public housing one-for-one
- 4.2 Provide public, workforce affordable, and market rate housing to create a mixed-income community
- 4.3 Improve livability through access to desired amenities/services
- 4.4 Provide housing choices to satisfy current residents and attract new residents
- 4.5 Incorporate opportunities for Ownership

Priority Area 5 — Connections + Open Space

Goals
- 5.1 Provide social and outdoor spaces and encourage outdoor activities for all ages
- 5.2 Create safe streets that invite walking
- 5.3 Improve connections to Sun Valley from the surrounding city
- 5.4 Provide connections to transit

Priority Area 6 — Sustainable Infrastructure

Goals
- 6.1 Invest in district energy and water infrastructure and become a model for the City
- 6.2 Implement solutions to reduce water consumption and to capture solar and geothermal power and to build innovative stormwater solutions
- 6.3 Create an interactive briefing center to educate the community about sustainability, infrastructure and district systems
- 6.4 Pursue becoming an 'EcoDistrict' and allow for a holistic approach to resource management

Priority areas of the Sun Valley Master Plan, created by the Sun Valley EcoDistrict. The six priority areas address best practices related to displacement, attainable housing, food access, walkability, active living, sustainability, and economic opportunity. (Courtesy Sun Valley Eco District)

3 Embedded Engagement, Data and Maintaining Cultural Identity

Let locals shape your vision.

New developments are more than just one or two buildings; they're pieces of a community, tiles in a larger mosaic. When developers look beyond their floor plans, they can create projects that address community needs. Identifying those needs, and creating places in response, can prevent displacement and support neighborhood culture. Communities will become more attractive to future residents as a result.

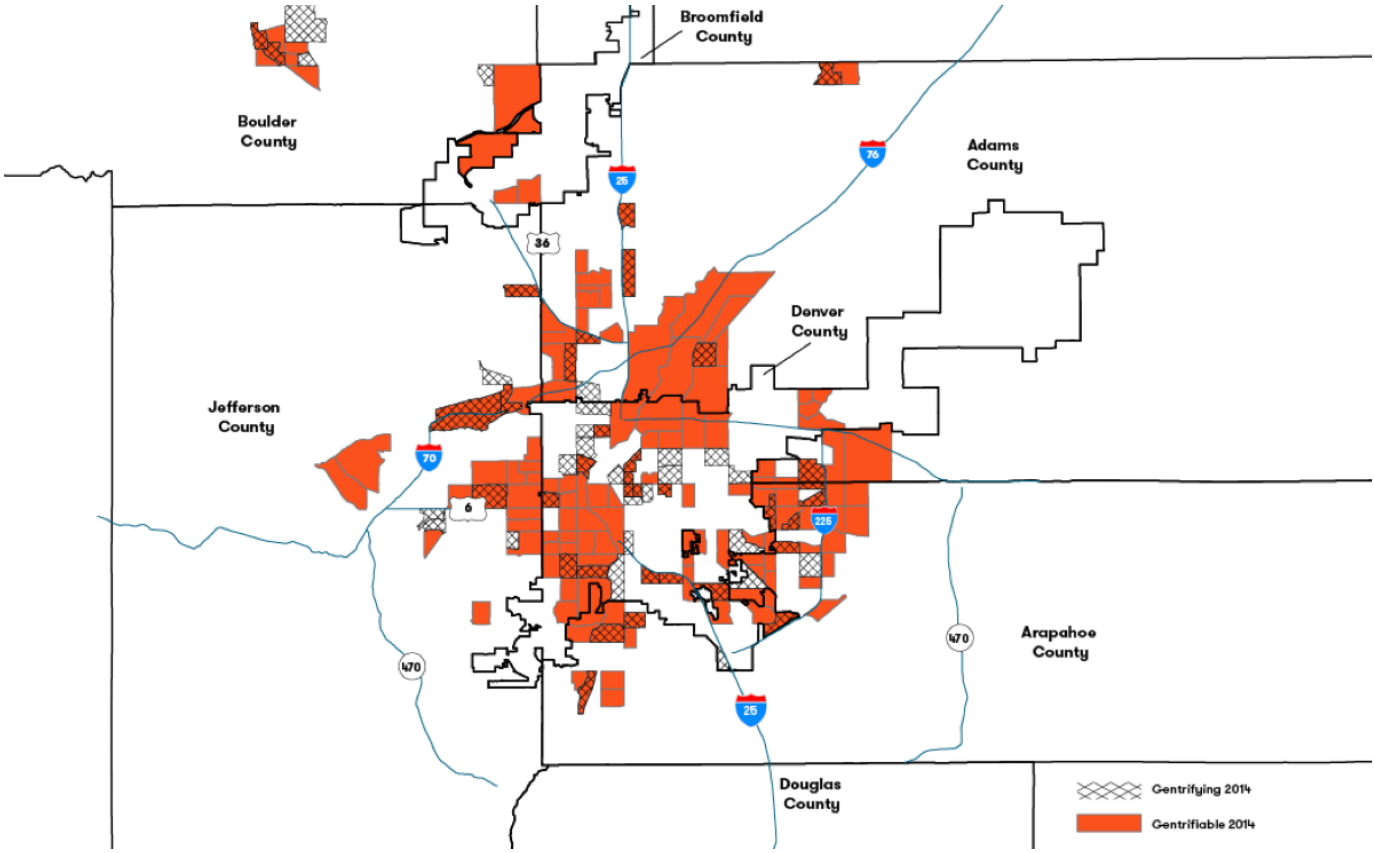
Demographic data can identify areas vulnerable to displacement. Qualitative data, culled from existing residents, can help to define community character and allows developers to design new projects with that in mind. Understanding a neighborhood's needs takes more than one town hall; it takes embedding yourself in the community and two-way conversations.

You can't prevent displacement if you don't know what's causing it. Those causes vary by neighborhood. Are families getting forced out from high rents? Increased property taxes from higher land valuations? Is the neighborhood an enclave for police officers, firefighters, and teachers, who make the city tick? Does the community need homes priced for people at 70 percent the area median income (AMI), or 30 percent? Qualitative and quantitative information can help developers understand their market and create products that meet community needs.

Understanding a neighborhood's needs takes more than one town hall; it takes embedding yourself in the community and two-way conversations.

Gentrification Pressures

JOBS | HOUSING: PRELIMINARY FINDINGS



Map depicts the areas around metro Denver that are vulnerable to (orange), or are in some stage (cross hatch) of gentrification. Gentrification is not exclusively a Denver phenomenon. As of 2014, almost 270,000 households resided in gentrifiable areas, and almost 115,000 resided in areas experiencing some stage of gentrification. This amounts to a full third of the households in metro Denver. For this analysis, a classic definition of gentrification was utilized, such that vulnerable, or gentrifiable areas have median incomes below that of the region. Areas that qualify as gentrifying have experienced both an above median increase to the region in the share of its college-educated residents and either an above median increase to the region of the median rent or median home value. Data sources: 2009 and 2014 5-year ACS. (Courtesy Shift Research Lab, a program of The Piton Foundation)

Key Upstream Drivers of Housing Price Pressures

The increase in housing prices is the result of multiple levers in the larger economic and policy environment, including:

1. Construction costs
2. Construction defect litigation
3. Local development/building process
4. Local land use regulations
5. Land development costs
6. Building to economic development requirements
7. Rent control (lack thereof)

Shift RESEARCH LAB | A Program of THE PITON FOUNDATION

Case Study

A Renaissance in West Denver

"As developers, sometimes we walk into a neighborhood and just get it wrong," admits Renee Martinez-Stone, director of the West Denver Renaissance Collaborative (WRDC), a collective of community members, public agencies, nonprofits, and foundations working on community and housing issues in Denver, west of I-25. Martinez-Stone wants chief concerns to mirror the neighborhoods'.

To get at community priorities, WRDC held one-on-one meetings with community leaders, "listening sessions," and three work sessions to understand neighborhood concerns. Housing topped the list — displacement, ownership, and equity. WRDC also found that single-family, detached homes are important to the culture of west Denver. They comprise almost 90 percent of the housing stock, and are part of west Denver's family-oriented neighborhood culture. But that doesn't mean the tools are available to preserve them, even with high homeownership rates.

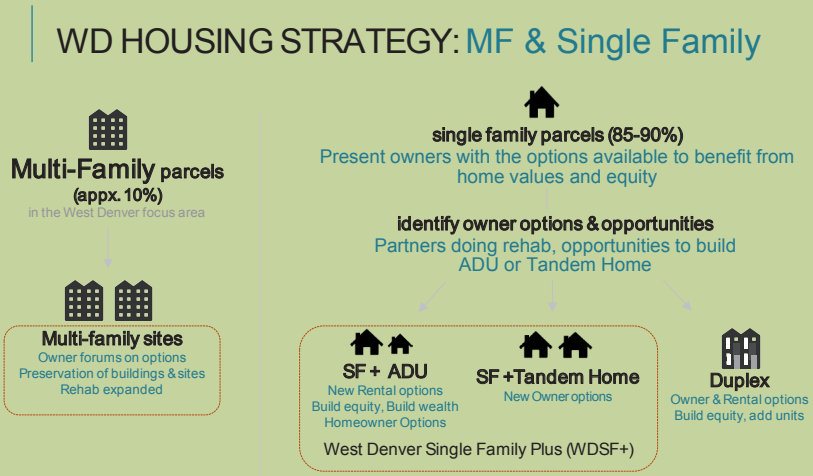
WDRC wants to ensure residents can build equity with accessory dwelling units (ADUs), duplexes, and "tandem homes" — an extra rentable home on their property — to increase homeowners' wealth and augment the overall supply of housing. Today the path to build ADUs (aka granny flats or carriage houses) is winding, time-consuming, and expensive for the primary homeowner, thanks in part to a complex design review process. Six years after they became legal in 2010, only 80 ADUs had been built citywide.

The collective successfully lobbied the Mayor's office for a pilot program to fix that.

"Because there are so many homeowners who want to stay in place, and are interested in securing their place in the neighborhood by having an ADU or a tandem home, we would assist them with that process — so it would be a custom process to help lower-income homeowners understand what their options are," Martinez-Stone said.

Scaled up, this pilot would help neighborhoods maintain community identity while allowing long-time residents (often minorities in West Denver's case) to stay. Meanwhile, adding "gentle infill" means some new development mixes with the old, and makes room for new residents in ethnically diverse communities. One estimate showed that with the right mix of incentives and regulation, Denver alone could add thousands of ADUs at a non-subsidized, "attainable" price tag.

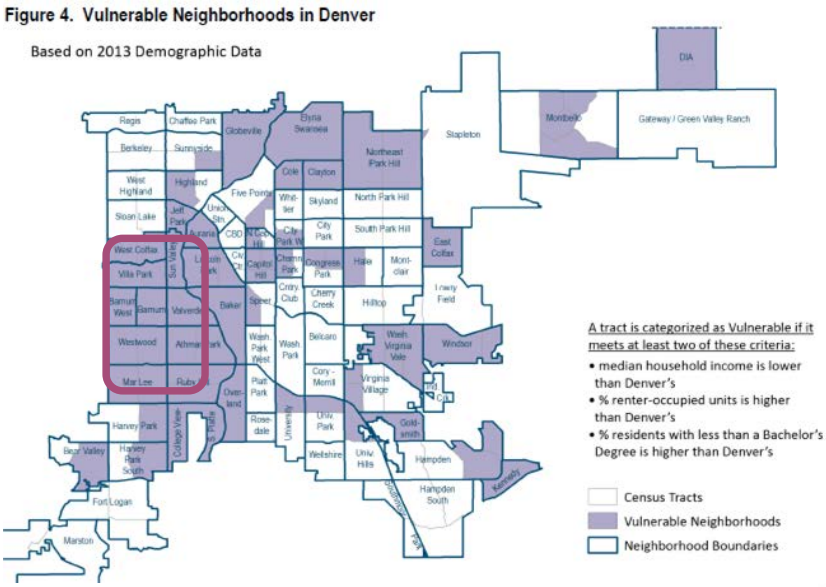
"As developers, sometimes we walk into a neighborhood and just get it wrong."
– Renee Martinez-Stone, director, West Denver Renaissance Collaborative (WRDC)

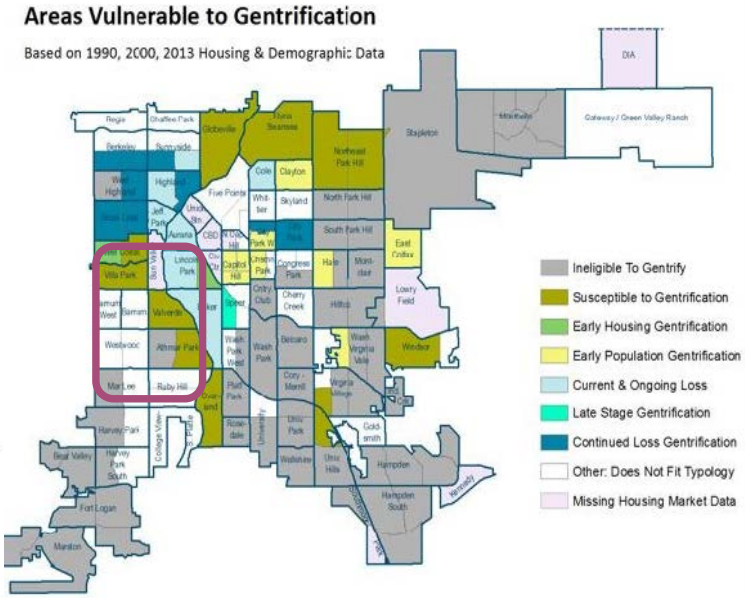


Single family homes make up 85-90 percent of land ownership in West Denver. WDRC proposes a strategy to increase West Denver's housing stock and increase homeowner options to ensure residents can build equity and age in place.

West Colfax is a vulnerable neighborhood in Denver that is both susceptible to gentrification and experiencing early housing displacement. Residents of SLOANS on the patio of SLOANS Tap and Burger. SLOANS is a new community and town center in the West Colfax and West Sloan's Lake Neighborhoods of Denver. It strives to align with the goals set forth in the West Colfax Corridor Plan to catalyze and anchor neighborhoods, bring higher density residential development, high quality retail and more neighborhood services, complement retail along the corridor, and preserve historic buildings through adaptive reuse. SLOANS master developer, EnviroFinance Group, commits to keep 20 percent of all new homes affordable. (Courtesy EnviroFinance Group)

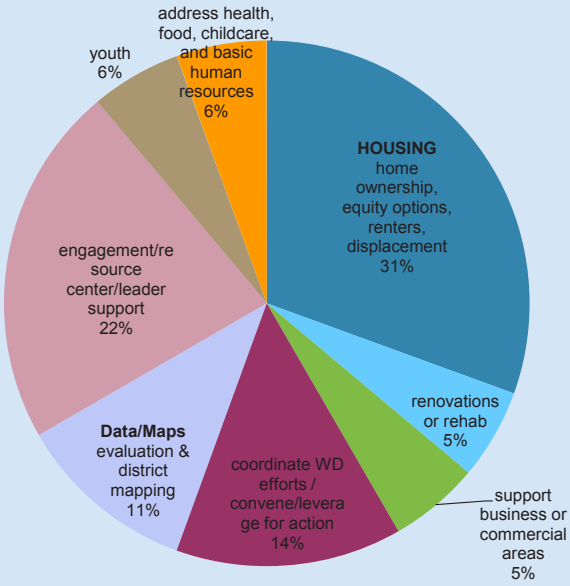
VULNERABLE NEIGHBORHOODS





Maps above show key priority areas for community members, public agencies, nonprofits, and foundations working to implement a model for resilient urban regeneration in West Denver.

COMMUNITY PRIORITIES



- Identify targeted solutions to housing and neighborhood impacts causing displacement
- Help to engage all and eliminate gaps in representation
- Coordinate WD efforts to the benefit of existing community members
- Support businesses
- Data & maps for district: evaluation & connections
- Incorporate health, food, families
- Include youth

Vulnerable neighborhoods are defined as areas that show lower than average median household incomes, higher than average renter-occupied housing, and are lacking in residents who've attained higher education. There are different levels and stages of gentrification. How can industry professionals, community stakeholders, and residents implement positive change in our neighborhoods before gentrification occurs?

All graphs courtesy of West Denver Renaissance Collaborative (WDRC).

WDRC WEST DENVER RENAISSANCE COLLABORATIVE

4 Community Land Trusts

Own the land, not what's on it.

Community land trusts (CLTs) are organizations that buy and hold vacant land to help neighborhoods exchange blight for prosperity. CLTs can help transform bare parking lots or worn-out industrial sites into places for people. Instead of traditional subsidized housing that loses affordability once deed restrictions or housing vouchers expire, the CLT model builds long-term affordable housing stock for both renters and owners, while reinvigorating neighborhoods.

Anticipating changes in the market, a CLT is generally a nonprofit organization that acquires strategic sites throughout the city, particularly near transit stations. The money comes from foundations and government grants, and market-rate developers writing checks to satisfy affordable housing requirements. A nonprofit board oversees the trust, which owns the land.

Using this model, Denver's Urban Land Conservancy (ULC) has developed or partnered on affordable housing, schools, nonprofit spaces and other community uses throughout the region.

Individuals own residential and commercial buildings, but the CLT owns the land, which keeps real estate affordable no matter the market fluctuations by stabilizing this underlying cost. The trust negotiates long-term leases with building owners — 99 years ideally — to ensure long-term affordability. The land use can change over time, but not the community benefit stipulation; that's written into the contract.

"The scattered site approach also fosters homeownership in the city and the suburbs."

– Aaron Miripol, president and CEO, ULC

Scattered Site CLTs

Many CLTs deal with large swathes of land. Scattered site CLTs offer a more surgical approach to revitalization that simultaneously combats the affordable and workforce housing shortage.

"You have folks across the country who are creating community land trusts, focused in a couple different neighborhoods, buying single family homes, renovating them, and then putting them in a CLT," said Miripol. "It's existing housing stock, tends to be older, and usually needs some rehab."

The Urban Land Conservancy (ULC) is a Denver nonprofit that promotes community development and strengthens neighborhoods through preservation of key land to ensure public benefit. ULC acquires strategic sites in anticipation of market changes through land banking along transit corridors. When possible, ULC uses a Community Land Trust (CLT) 99-year land lease with partners to ensure permanent stewardship of the improvements/buildings. (Courtesy Urban Land Conservancy)

"People really do want to be part of mixed-income communities."
– Aaron Miripol, president and CEO, ULC

Jody Apartments is ULC's first land trust, established in 2007. It includes 62 permanently affordable apartments, less than 300 feet from the Sheridan transit rail station along the West Corridor. ULC owns two acres of land using the 99-year CLT ground lease with a local nonprofit that owns the improvements. Future redevelopment will have at least 200 mixed-income apartments and 25,000 square feet of commercial and community space. ULC's CLT is the steward of this redevelopment, ensuring it will have long term community benefits including affordable housing and nonprofit space. (Courtesy Urban Land Conservancy)

In Minnesota, the City of Lakes Community Land Trust offers a successful example, Miripol said. More than 200 people own homes through the program, which is actually driven by the buyer, who identifies the home they want. In other programs, the property may be a blighted storefront. The CLT also covers rehab costs, which eases the burden on the owner.

"They've got the land trust behind them, and at the closing, they separate the building from the land. So the land trust takes ownership of the land and the homeowners takes ownership of the improvements," Miripol said.

Why would a market-rate developer be interested? CLTs can help if a developer is seeking to up-zone a luxury project, but needs to satisfy an affordable housing requirement for the city to grant the rezoning request. Writing a check to a CLT can mean contributing to permanent affordable and workforce housing, rather than contributing to a typical government fund that includes a 15- or 30-year sunset on guaranteed affordability. When well-worn places get a new life using the CLT model, land values can rise without displacing low-income residents.

"People really do want to be part of mixed-income communities," Miripol said.

Beyond the domicile

Land trusts are about more than just homes. The model works for other crucial community ingredients, like small businesses, health centers, and schools.

The Urban Land Conservancy makes community land trusts a reality in different corners of Denver. Its first project was the Jody apartments, 62 permanently affordable rental units 300 feet from the Sheridan light rail station. ULC still owns two developable acres on the site, and plans to add at least 200 mixed-income apartments and 25,000 square feet of community or commercial space.

Another ULC initiative, where a shopping center once stood, built Roots Elementary School and a Boys and Girls Club in the residential neighborhood of Park Hill.

More recently, ULC partnered with Zocalo Community Development on plans to build next to a future RTD station in Elyria Swansea, a predominately Latino and low-income neighborhood in North Denver. Eventually, 560 condos and rental homes will supplant industrial land and parking lots. At least 51 percent are reserved for households making 80 percent or less of the area median income. ULC and Zocalo allotted space for a health center and small businesses as well.

5 Public Land for Public Good

Governments and institutions can use surplus land to build communities.

Public Land and Affordable Housing in the Washington DC Area, a 2015 ULI Washington report, found that municipalities often have a wealth of surplus properties they can donate or offer at discounted rates for developments that include significant affordable housing.[5]

Often this new housing can be co-located with public services like libraries or recreational centers, adding to the public investment in improving communities. Local policy should backstop this practice by setting minimum affordability expectations when public land is sold to private developers, and by creating a review process to ensure the developments meet community goals.

"With developers reporting land costs generally between 5 and 35 percent of total development costs, discounted public land can be one component of the subsidy needed for making below-market-rate housing financially feasible," the report found. In some cases, municipalities and public agencies may see value in donating land to an affordable housing developer.

Case Study

MARiPOSA

Mariposa

By the early 21st century, something had to change in Denver's La Alma/Lincoln Park neighborhood. Concentrated poverty, high crime and missed opportunities for children sparked the Denver Housing Authority to transform a 270-unit public housing plot into a mixed-income, mixed-use neighborhood with even more affordable housing than before.

With financing help from state and federal coffers, Enterprise Community Partners and Citibank, DHA is turning the place into a modern, healthy community, complete with a farmer's market and community garden — all within walking distance to light rail and bike-share stations. Right now, the total number of homes sits at 457 (300 affordable and the rest market rate). When finished, Mariposa will have more than 800 homes for all income levels.

With a transformation like that, it's apt that Mariposa means "butterfly" in Spanish.

Community programming and services, public art, increased density, and mixed-income housing have all been part of making the Mariposa redevelopment in one of Denver's oldest neighborhoods a success. (Courtesy Denver Housing Authority)

6 Push for Urgent and Bold Policies

Elected leaders must act quickly and boldly to implement effective policies.

The rate of displacement has outpaced current policies. Too often, local governments intervene only after whirlwind gentrification forces families and individuals to find homes elsewhere. As Progressive Urban Management Associates (P.U.M.A.) President Brad Segal said, "If you don't create bold policies to shape your city, the market will completely figure that out for you."

Affordable housing preservation must be an urgent policy goal, a group of developers, advocates, elected officials, and public sector representatives said during the ULI policy session on mitigating displacement. Whatever the mechanisms, preserving affordable housing takes more than just good ideas.

"If you don't create bold policies to shape your city, the market will completely figure that out for you."

– Brad Segal, executive director, Progressive Urban Management Associates (P.U.M.A.)

Affordable Housing Funds

Incentives cost money, and so do other government initiatives to keep neighborhoods affordable and vibrant. Under Denver Mayor Michael Hancock's 2016 housing plan, property tax increases

"At some point, political will is required, which advocates for attaining a high quality of life with access to housing and transit… That's where the 'be bold' comes in."

– Dace West, executive director, Mile High Connects

and development fees will raise $15 million annually over the next 10 years for Denver's affordable housing fund. The initiative supports the construction or preservation of 6,000 income-restricted rental and for-sale homes by the private and nonprofit sectors. That's all well and good, but displacement exists today, with a current need for more than 6,000 affordable homes.

That's why the forum's policy group recommended asking voters to bond the fund over 20 years. Bonding the fund would create access to much more money, much sooner. Portland, for example, plans to raise $258 million in 2016 through a tax-and-bond measure to preserve and build affordable homes. In Alameda County, California, 72 percent of voters approved a $580 million bond to preserve and build affordable rental housing in 2016, with $120 million aimed at homeownership programs.

Protecting Renters

Colorado is one of the most landlord-friendly states in the country. Tenants on month-to-month leases can be legally evicted with as little as seven days' notice. Delinquent renters get three days to pay back rent before a 48-hour eviction timeline kicks in. A bad month could lead to a cycle of housing problems, because evictions stick to personal records for seven years, like bankruptcies and foreclosures. Most states require 30 days' notice across the board.

According to a 2017 report from Enterprise Community Partners, "Evictions and other forms of forced displacement can have profound consequences, both for the individual family and the broader community."[6] The cycle of eviction can induce higher poverty and crime rates in the neighborhood, according to the report, which cites a Harvard University study.

Construction workers and service workers keep the economy running, especially during economic booms, said Stephen Moore, policy director at the Front Range Economic Strategy Center. And those workers are often renters.

"It's a healthier economy when people can afford their basic needs. Renter protection means a more stable workforce. When people move less frequently, the better production you're going to have, a healthier economy you're going to have."

– Stephen Moore, policy director, FRESC

Denver's eviction rates have increased year over year, increasing homelessness, which is bad for economic development, tourism, and the community's image.

On the local level, housing advocates recommend cities require landlords to make tenant fees more transparent, guard against excessive application fees, and create a position to mediate disputes between landlords and tenants, who may not know their rights, before eviction occurs.

Tax Incentives for Landlords

As land values rise, rents don't have to. Local governments could give owners a tax break or other incentives for renting to low-income families and individuals in gentrifying neighborhoods. Tax abatement for owners can keep rents low. That could mean the difference between staying and leaving for people at risk of being displaced.

What's Next?

With home prices reaching all-time highs and wages trailing behind, the need for affordable homes is more pronounced than ever. Developers, who are increasingly interested in introducing affordable housing options to meet the growing demand, can help to combat displacement and sustain neighborhood culture by creating places with the community's needs in mind. That, in turn, will make those communities more desirable for future residents as well.

Egbert Perry opens the ULI Colorado forum, "The Search for Equity in Neighborhood Revitalization."

"We know what we need to do. Now we need to start doing something."
– Dace West, executive director, Mile High Connects

Scenes from the ULI Colorado forum held March 3rd at Mile High United Way.

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Forum participants on March 3, 2017, at Mile High United Way.

Residents walk past a large mural painted on La Alma Lincoln Park Recreation Center. The West Denver Renaissance Collaborative 'footprint' is a 6,400 acre area consisting of the following neighborhoods: Athmar Park, Barnum, Barnum West, La Alma / Lincoln Park, Sun Valley, Valverde, Villa Park, West Colfax, and Westwood. (Courtesy The Denver Post)

ULI Colorado Leadership in Responsible Land Use

ULI Colorado is the 1,400-member District Council of the global Urban Land Institute. ULI Colorado consists of a four-person staff, 25-member executive committee, and 15 committees with more than 250 volunteers. More than 40 programs a year include advisory panels, leadership and mentoring programs, panels, project tours, publications, and community service. ULI is a non-lobbying educational and research institute supported by its members, sponsors, and foundations. Key issues include affordable housing, healthy communities, transit-oriented development, and sustainable design and planning.

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