The rising costs of land and labor, along with many other factors, have led to an increase in housing prices and inhibited real estate development in key areas of Durango. In most cases, the private sector alone cannot overcome the challenges to build the supply of housing necessary for the students, workers, seniors, and others who want to live in Durango. The City of Durango has taken steps to form an Urban Renewal Authority. The URA wanted to understand how it could facilitate affordable and attainable housing development in convenient locations. Durango intends to use a strategy for public-private partnerships and the use of creative financing tools, most notably Tax Increment Financing (TIF), to increase affordable and attainable housing options and achieve the community's shared vision for the future. With funding support from the Colorado Department of Local Affairs (DOLA), the City of Durango, Durango Renewal Partnership (Partnership), Downtown Colorado Inc. (DCI), Development Research Partners, and SEH, Inc. jointly developed a process to engage the community and create this Urban Renewal Authority (URA) Housing Strategy. The intent is to understand how the URA can focus their efforts to address housing challenges.

PROCEDURAL FRAMEWORK

The Durango Urban Renewal Housing Strategy has built a replicable procedural framework which can be used by the City of Durango and the Partnership to identify and quickly act on high-priority redevelopment projects. The procedural framework is also available to other communities looking to take action on redevelopment and housing initiatives. The framework summarized here will guide future urban renewal efforts in Durango.

SHORT GUIDE TO REDEVELOPMENT

The Urban Renewal Housing Strategy includes a Short Guide to Redevelopment developed by Jesse Silverstien from Development Research Partners. The guide is intended to inform local governments and redevelopment agencies about the context and process for positioning sites for sale to developers. The concepts and approaches presented include high-level components that are important to effectively understand all the parameters of a negotiation and anticipate obstacles and solutions.

1) Community Vision and Reuse Plan
2) Communications Plan
3) Site Redevelopment Analysis
4) Transaction Strategy
5) Public Investment Analysis

It is a guide to developing a well-grounded internal “Term Sheet” to summarize desired terms and conditions for public property sale to a private-sector developer and form the basis of a strong and effective Development Agreement. The high-level components should be considered in creating a development or redevelopment strategy and are worth becoming familiar with to choose which are applicable to a particular situation.
SEQUENCE OF EVENTS

The primary challenge for the Strategy is to provide guidance as to how the Partnership can quickly and effectively focus its resources on creating equitable, sustainable and profitable progress that addresses identified community priorities. This requires some uniform and community-wide parameters as well as a recognition that some terms will be adapted for each project. The current effort has focused on building the sequence of events and framework for shaping the specifics of each project site and understanding the incentives that can shape agreements and project-specific partnerships over time. The Strategy is built on a continuous, iterative cycle that includes Education and Outreach for the Partnership Board and community members.

With this overarching framework as a guide, this Urban Renewal Housing Strategy, as well as Durango’s first urban renewal plan, engaged citizens in identifying ways to realize more affordable and attainable housing development through urban renewal. The Durango Renewal Partnership is pleased to share this roadmap for other communities to use in the future.

The project tasks + deliverables include resource creation, citizen engagement, training, and communications to shape the Durango Urban Renewal Housing Strategy over the past year. All of these deliverables are available for review and can be used by communities to undertake their own URA and housing initiatives.

URBAN RENEWAL FACILITATES PUBLIC-PRIVATE PARTNERSHIPS

The urban renewal housing strategy demonstrates how public-private partnership is the name of the game. Its charge is to adopt plans for alleviating blight and targeting redevelopment in a community. Urban renewal takes the public’s vision and adds incentives to attract private developers to accomplish that vision. URAs are authorized to issue grants, bonds, loans and other financial mechanisms to help produce public improvements and quality redevelopment. These incentives allow the public to partner with a developer to make the project more feasible – and to shape the project to better meet community needs.

"While there is no silver bullet, urban renewal is a powerful tool in a community’s housing toolbox.”

How URA Can Help Your Community

1. Expand the reach of vital infrastructure
2. Redvelop a struggling neighborhood
3. Attract new businesses and investments
4. Develop affordable housing

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<th>IDENTIFY OPPORTUNITIES + PRIORITY AREAS</th>
<th>ESTABLISH PROCESSES, CRITERIA + PLAN</th>
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<td>• Board training</td>
<td>• Map potential plan areas</td>
<td>• Creating organizational capacity</td>
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<td>• Information sharing with other URAs</td>
<td>• Prioritization exercise with Partnership Board members</td>
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<td>• Educational programming</td>
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<td>• Creating application forms and review criteria for development application</td>
<td>• Empower business owners to act on growth and improvement opportunities for their business</td>
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[Adapted from “How URA Can Help Your Community” by Andy Arnold, SEH.]

"While there is no silver bullet, urban renewal is a powerful tool in a community’s housing toolbox.”
ARVADA URA CASE STUDIES

Arvada Urban Renewal Authority

The Arvada Urban Renewal Authority (AURA) was established in 1981 by the Arvada City Council and is governed by a seven-member volunteer board that is appointed by the mayor and is approved by the City Council. AURA works in collaboration with elected officials, city administrators, private developers, financing sources, and community members.

Plan Area: Ralston Fields, 2003

Purpose

"Enhance, redevelop, and/or revitalize" Ralston Fields District, former Ridge Home Site, and dated shopping centers near 58th Avenue and Independence, also called the "Triangle Area" and the Lutz/Stenger Sports Complex. This Urban Renewal Area includes 12 projects in the area pictured to the right.

Return on Public Investment

The Ralston Fields Urban Renewal Area leveraged $5.98 in private funds per $1.00 spent in AURA investment (Development Research Partners). This coincides with AURA goals of igniting private investment over the duration of the URA and beyond. Net of TIF, annual Arvada city revenues due to the URA are $2.416 million. With around $32.5 million in AURA investment for the entire Ralston Fields Urban Renewal Area, the annual rate of return is 7.4% (Table 1).

Sales and Property Tax Increments, from the creation of Ralston Fields Urban Renewal Area TIF funding result in a 61% increase in City Revenues upon URA expiration in 2028, or an increase of more than $3.5 million per year (in 2017 dollars).

In addition to this positive return on investment, Ralston Fields has increased residential housing by 680 units and has added 229 jobs to the Arvada economy, increasing spending by Arvada employees by nearly $28 million per year (Development Research Partners).

Arvada City Center

The City of Arvada loaned AURA $10,369,879 in the 1980’s to fund these projects until TIF revenue could be produced. AURA ultimately repaid the City, including nearly $12 million in interest. Furthermore, the TIF collections from this project paid the salaries for three non-AURA Arvada City employees for the years 2001 to 2008, or $1,141,828. In 2016, City Center generated over $34 million in sales tax, nearly $15 million of which went directly to the City of Arvada, and accounting for 27% of all sales tax received by the City that year.

City Center Sales Tax Revenues

Source: Arvada Urban Renewal Authority; Development Research Partners, Inc.

Continued >>>>
Plan Area: City Center, 1981

Purpose

The City Center Urban Renewal Area was the first project by AURA. Arvada’s City Center District is one of the few districts to “sunset” in Colorado, and “is widely regarded as one of the most successful examples of Urban Renewal in the state.” In the space along Wadsworth that was home to used car lots, a lumber yard, motels, and neglected homes and apartment buildings, AURA worked to attract various major retailers to Arvada, including Costco, Sam’s Club, Home Depot, Office Max, Lowe’s, Starbucks, and Texas Roadhouse throughout the 1980’s and 90’s.

AURA restored various public-owned buildings. Through façade restorations and grant programs, Historic Olde Town Arvada signs, and redevelopment of the Olde Town Square including the construction of a library, AURA acted as the developer for this large community project.

Water Town Village was a city-owned property consisting of 16 deteriorating apartment buildings and 15 single family houses. When AURA purchased the 250 housing units and two businesses, the area had an abundance of crime. AURA then offered residents each $5,250 to assist with relocation expenses and began working with NorStar Development and Carmel Partners on construction. In 2006, 270 for-sale units and 326 rental units became available to residents. The development also included the “Water Tower Active Pavilion,” two swimming pools, two small parks, and brought approximately 1,200 people near Olde Town and RTD light rail transportation. This project cost AURA roughly $66 million.

Return on Investment

As a result, AURA increased the tax revenue in the district by over $13.7 million each year, resulting in significant increases to services in Arvada. Now, according to AURA, this center brings in over $30 million each year to various taxing entities.

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City Center ultimately added 600 residential units to the City’s housing stock and employed nearly 900 Arvada residents in 2017. Prior to AURA’s intervention, City Center generated less than $1 million in sales tax revenues. In comparison, City Center generated nearly $15 million in revenues for the City, $12.5 million for the State, over $2 million to Jefferson County Open Space, $431 thousand to SCFD, and $4.3 million to RTD.

DURANGO MIDTOWN OVERVIEW

PROJECT TASKS

- Project Preparation:
  - Scope planning meeting with SEH
  - Drill down on Community Profile and define ways to create organizational capacity to complete tasks
  - Prioritization Exercise with Partnership Board

- Creation of a Urban Renewal Area Plan for MidTown Area
  - Establish collaborative team and coordinate planning meetings
  - Draft of first Area Plan
  - Public Process to Review & Approve Area Plan
  - Area Plan Adoption

- Develop marketing messaging content and strategy.
  - Create messaging for engaging property owners, developers, residents and business owners
  - Establish outreach events and platforms

- Develop a Short Guide to Redevelopment.
  - Identify best practices for URAs working on housing
  - Highlight the niche role. Identify metrics to consider, typical acreage or parcel, topography, density, and parking averages.

- Analysis of publicly owned properties
  - Assess potential public-private partnership. Financial and development feasibility assistance

- Establish Processes Forms & Criteria
  - Research and develop templates for developer application forms. Identify needed policies and review criteria.
  - Establish clear timeline and description of the review and decision-making process

- Outreach Workshops
  - Training for City Council
  - The MidTown Property and Business Meeting
  - Developer Interest Forum

PROJECT DELIVERABLES

- Partnered with SEH to provide:
  - Financial and Development Feasibility Study
  - Conduct TIF Forecasts on Project Areas
  - Public Meeting with DRP Board, Planning Commission, City Council
  - Conducting Impact Report Analysis
  - Finalizing URA Plan

- Marketing materials produced include:
  - “Making More of MidTown” Event Flyer and Promotion
  - Durango Development Opportunities Forum Promotion
  - Durango Development Opportunities & Developer Questionnaire

- Priorities identified by Board
- Portfolio of Opportunities presented to Board
- Combined Timeline and Work Plan
- Application for Developers on Durango’s URA webpage
- Workshop Presentation
- Identification of Interested Parties
- Durango MidTown Developer Questionnaire
- Recording of session
- Increased Interest

Partnered with Jesse Silverstein, Development Research Partners for guide content and production.
“Urban renewal takes the public’s vision and adds incentives to attract private developers.”

PROJECT DELIVERABLES
The following list of documents was created and can be provided upon request.

- Urban Renewal Affordable Housing Case Studies Report
- A Short Guide to Redevelopment
- Durango Renewal Partnership Formation Report
- Durango Renewal Partnership Opportunity Areas
- MidTown Urban Renewal Plan
- MidTown Walking Tour Survey Questions
- MidTown Walking Tour Survey Responses
- Durango Development Opportunity Questionnaire
- Durango Development Event Marketing Materials
URBAN RENEWAL
HOUSING STRATEGY

This project funded by the Colorado Department of Local Affairs.