

Policy Tool: Transit-Oriented Development Acquisition Funds



Examples: South Corridor Land Acquisition Fund (Charlotte, NC)
 Denver Transit Oriented Development Fund (CO)
 Bay Area Affordable Transit-Oriented Development Fund (CA)

Summary: Acquisition funds for transit-oriented development can be used to acquire sites near transit for future development of affordable housing or to acquire and preserve existing affordable housing before planned transit projects drive up land and property values.

In 2005 the Charlotte, North Carolina City Council appropriated \$5 million to the South Corridor Land Acquisition Fund to purchase land near planned transit stations along its South Corridor Light Rail for future transit-oriented development (TOD) and specifically development of transit-served affordable housing. In 2006, the city began a joint development project with the transit authority at the Scaleybark Station to establish a flagship mixed-use, mixed-income village. Using money from the South Corridor Land Acquisition Fund and several other sources, the city eventually purchased 17 acres of land for \$9.2 million. The planned project will include 80 affordable housing units, which will be built by the Charlotte Mecklenburg Housing Partnership, as well as 820 market-rate housing units, retail space, a hotel and park land (CTOD, 2008b).

Denver has taken the concept of TOD acquisition funds to a new level with the creation of its Transit Oriented Development fund as a tool for supporting transit-oriented development in connection with the region's ambitious FasTracks transit expansion which will ultimately create 70 new rail transit stations throughout the region. Initially capitalized with \$2.5 million in city funding to match a grant from the MacArthur Foundation, the fund has grown to \$15 million as other investors have joined the project. Enterprise Community Partners serves as the financial manager of the fund while the Urban Land Conservancy (ULC), a Denver nonprofit, oversees land purchases and acts as the sole

borrower. The Fund's goal is to create or preserve over 1,200 affordable housing units by buying property in current and future transit corridor (Soursourian, 2010). Early in 2010, the Urban Land Conservancy (ULC) used the Fund's resources to purchase and preserve 36 affordable homes in the 50-year-old Dahlia Street Apartments.

A new San Francisco Affordable Transit-Oriented Development Fund is expected to begin making investments in 2011 after the Metropolitan Transportation Commission approved a commitment of up to \$10 million. MTC staff estimate that a \$40 million TOD Fund could be used to help finance the acquisition of at least 20 to 30 acres around the region, which, depending on the density of build-out, would support development of anywhere from 1,100 to 3,800 units of affordable housing.



For additional information: www.denvergov.org/DenverOfficeofStrategicPartnerships/Partnerships/DenverTransitOrientedDevelopmentFund/tabid/436574/Default.aspx
www.mtc.ca.gov/news/press_releases/rel490.htm