

Acquiring Land to Curb Sprawl



New Partners for Smart Growth

February 8, 2007





- Since 1982 Enterprise has invested more than \$7 billion in communities, which has produced more than 195,000 affordable homes
- Enterprise provides grants, loan capital and tax credit equity to fulfill its mission of providing decent housing in vital communities
- Enterprise invests approximately \$1 billion a year in community development capital



- Development Side
 - ✧ Non profit affordable housing developers
 - ✧ Community Development Corporations
 - ✧ Mission-aligned for profit developers
- Capital Side
 - ✧ Community Development Financial Institutions
 - ✧ Philanthropic Community
 - ✧ Federal, State and Local Government
 - ✧ Financial Institutions
 - ✧ Tax credit Investors



- Washington DC
 - ✧ Site Acquisition Fund Initiative (SAFI) - \$40MM
- Atlanta
 - ✧ Atlanta Land Assemblage Pool - \$30MM
- Louisiana
 - ✧ Louisiana Loan Fund - \$45MM
- Los Angeles
 - ✧ Town home Ordinance Program - \$15MM
- New York City
 - ✧ New York City Affordable Housing Acquisition Loan Fund - \$200MM

The Case for SAFI



- In the District's hot real estate market, available properties were being bought quickly by for-profit developers who had easier access to funding.
- In order to level the playing field and to further preserve affordable and workforce housing, non-profit developers needed quick access to low-cost funding.
- Traditional low-income neighborhoods and properties were also experiencing tremendous price increases and attractiveness to market rate developers, forcing much of the city's workforce to the suburbs and exurbs.



- A non-bureaucratic process needed to be created.
 - ✧ SAFI was labeled as an “initiative” because had it been a program, it would have required a lengthy process of writing the procedures and council approval.

- Focus groups were held with non-profit developers to determine a structure to address their needs.
 - ✧ predevelopment and acquisition funds;
 - ✧ below market interest rates;
 - ✧ market driven and time sensitive.



- Focus groups were broadened to include financial institutions and housing advocates, where the following needs were identified:
 - ✧ a superior interest regarding loan funds;
 - ✧ in the event of default, DHCD will accept the first 25% of loss;
 - ✧ no-interest loan from SAFI in order to achieve below market rate.



- Department of Housing and Community Development - \$20MM
 - ✧ Provides funding from the Housing Production Trust Fund

- Intermediary lenders – \$20MM match
 - ✧ Community Development Banks
 - ✧ Community Development Financial Institutions (CDFI)

- Non-profit developers
 - ✧ Pre-certified by DHCD
 - ✧ Restrictive Covenant placed on property



1. Leverage

2. Outsourcing

3. Risk Sharing



- If we build it....will they come?
- Capacity and authority
- Flexibility
- Patience, with a sense of urgency



Lori Chatman
Vice President, Chief Credit Officer
Enterprise Community Loan Fund
10227 Wincopin Circle
Columbia, MD 21044
410-772-2461

lchatman@enterprisecommunity.org