

OED ORDINANCE/RESOLUTION REQUEST

Please mark one: Bill Request or Resolution Request Date of Request: 10/29/18

1. Type of Request:

Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment

Dedication/Vacation Appropriation/Supplemental DRMC Change

Other:

2. Title: Approves a \$1,350,000 loan to Medici Development, LLC, dba Walnut Street Lofts, LLLP, to support the construction of 66 units of income-restricted housing for residents earning between 0% and 60% of area median income. The development will be adjacent to the light rail train station at 38th and Blake.

3. Requesting Agency: Office of Economic Development

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Megan Yonke	Name: Susan Liehe 720-913-1689
Email: megan.yonke@denvergov.org	Email: susan.liehe@denvergov.org

5. General a text description or background of the proposed request, if not included as an executive summary.

See Executive Summary

6. City Attorney assigned to this request (if applicable):

Julie Mecklenburg

7. City Council District: 9

****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

Key Contract Terms

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR18 1278

Date Entered: _____

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): Loan Agreement

Vendor/Contractor Name: Walnut Street Lofts, LLLP

Contract control number: OEDEV-201844238-00

Location: 3601, 3733, 3789 Walnut Street, Denver CO 80205

Is this a new contract? Yes No Is this an Amendment? Yes No If yes, how many? _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

1/1/2019 – 12/31/2068; 99 years affordability covenant

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$1,350,000	\$0	\$1,350,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
1/1/2019 – 12/31/2068		

Scope of work:

See Executive Summary.

Was this contractor selected by competitive process? Yes (competitive application for 9% Low Income Housing Tax Credits allocated by CHFA; competitively underwritten for funding by OED) **If not, why not?**

Has this contractor provided these services to the City before? Yes No

Source of funds: General Funds

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, DEN concession contracts): N/A

Who are the subcontractors to this contract? N/A

For Housing contracts or other housing legislation, add information and context about this project as it fulfills goals of the applicable annual plan and the five-year comprehensive housing plan:

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EXECUTIVE SUMMARY

Medici Development, LLC plans to construct housing at 3601-3789 Walnut Street, a structure containing 66 units, of which seven will be covered by project-based vouchers. All units will be preserved for 99 years, associated with a land lease from the Urban Land Conservancy. Of the 66 units, 16 will be preserved at 30 percent AMI (24%), 19 will be preserved at 50 percent AMI (29%), and 31 will be preserved at 60 percent AMI (47%).

The new building will contain 31 one-bedroom units, 31 two-bedroom units, and 4 three-bedroom units. This project is located in a neighborhood experiencing rapid displacement and would greatly benefit from this affordability. Further, the location is one block away from the 38th and Blake light rail train station. Medici is requesting \$1,350,000 from OED to construct the new building, a per-unit investment of \$20,455. Total development cost is \$18,584,630 or \$281,585 per unit.

Urban Land Conservancy (ULC) purchased this site in November 2011 for the purpose of creating affordable housing in a neighborhood that was beginning to experience rapid displacement and a lack of affordable options. The proposed project will provide 66 units of long-term affordable housing serving households making up to \$50,000 in annual income, with 25% of those units set aside at 30% AMI. Units will be available to lease in the Spring of 2020.

For the past seven years, ULC has led efforts with local stakeholders, business owners, the residential community and City representatives to ensure the development reflected a community benefit. Below is an overview of Urban Land Conservancy (ULC) and Medici Consulting Group (MCG)'s past, present and future plans to engage the surrounding neighborhoods and keep local residents up-to-date with any and all future plans:

- In 2012, ULC participated in a Housing Colorado sponsored planning design activity for the 38th & Blake site that included neighborhood stakeholders, City representatives, RTD, EPA, University of Colorado at Denver (UCD), and community groups as participants.
- Together ULC and MCG held meetings with representatives from both the Cole Neighborhood Association and the RiNo Arts District Council. These meetings resulted in letters of support from both organizations, as well as from Councilman Albus Brooks, Civic Canopy, Early Excellence Program of Denver and SOS Outreach.
- In 2017, ULC commissioned Radian, Inc., a nonprofit architecture and urban design firm, to work with developers working in the community to produce an Equitable Development Plan for the 38th & Blake station area, which involved an extensive community outreach effort and early planning for a Community Benefits Agreement. The purpose of the plan is to ensure that long-time community residents and businesses can participate in the jobs, housing and commercial real estate opportunities that are being created in the neighborhood as a result of the up-zoned overlay district.
- In 2018 ULC hired two Managers of Neighborhood Partnerships to further enhance our relationship with the surrounding neighborhoods. ULC will retain ownership of the land to ensure that the site will always be used for community benefit.

Six months prior to project completion, formal preleasing activities will begin. These will include the following:

- Hiring staff to lead and coordinate marketing and preleasing efforts
- Placement of advertisements in local media outlets
- Posting on-site signage
- Creation of a project-specific website with contact info, rental rates, floorplans, etc.
- Establishment of a formal waiting list for interested applicants

The management team will also prepare and abide by an affirmative fair housing marketing plan. The purpose of the plan is to identify those persons least likely to apply for this housing and establish effective ways of reaching those

To be completed by Mayor's Legislative Team:

individuals. In addition to media and other advertising an effective way of reaching such persons is through local community organizations, churches, advocacy groups, and social service agencies.

The project sits at the intersection of three of Denver’s oldest neighborhoods: Five Points, Cole, and Elyria Swansea. Each neighborhood has one or more active neighborhood associations, many of whom have reached out to the development team in the past and more recently to learn about this project. They will continue to work with these organizations to identify other stakeholders in the community that can help the city share awareness of this project and encourage persons to apply.

Specific organizations that ULC and MCG plan to partner with include the Cole Neighborhood Association (November 8, 2018), RiNo Art District (November 8, 2018), Five Points Business District, Globeville Civic Partners, Globeville K.A.R.E.S, Globeville Civic Association #2, Elyria and Swansea Neighborhood Association, Elyria Swansea/Globeville Business Association, GES Coalition, Birdseed Cooperative, Focus Points, GrowHaus and Councilman Albus Brooks.

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