



Proposed Ground Lease, Gap Financing and Purchase and Sale Agreement for Globeville Library as part of the **4965 Washington Affordable Housing Project**

South Platte River Committee
May 14, 2025

Agenda

- Background and Proposed Use
- Need for Housing
- Community Engagement
- Proposed Actions
- Ownership
- Project Overview
- Timeline
- Future Actions



Background and Proposed Use

The City acquired 4995 Washington Street in 2019 for \$6 million, with the specific intention of fostering development of critically needed affordable housing. CDBG funds were used in the acquisition. The City also acquired 624 E. 50th Street for \$850,00 and 4964 N. Pearl Street for \$1,300,000 in June of 2024 with the specific intent of increasing the footprint of the development and creating adequate access to the development. HOST Linkage fees were used to acquire these two properties. Combined, these three properties are known as 4965 Washington Street.

Real Estate and HOST conducted a robust RFP, selecting Globeville Redevelopment Partners LLC (“GRP”) as the most qualified to successfully complete the project.

GRP proposed to enter into a 99-year ground lease to provide 170 affordable housing units with a particular emphasis of 3- and 4-bedroom units (minimum 50% of the unit mix). These units will serve families with no fewer than thirty-five percent (35%) of the units in the project as affordable for households at or below 30% of the area median income (“AMI”). The project will have about 50% at or below 50% AMI. The development will also provide two additional community-serving commercial spaces one of which will be the newest Denver Public Library branch.

Need for Housing

- This redevelopment will provide 3- and 4-bedroom units for families, a needed asset in Denver
- This project will keep affordable housing in the Globeville neighborhood and prioritize our citywide commitment to affordable housing
- This location will leverage services and resources in downtown Denver
- Stable, affordable housing is essential to building a thriving community and economy
- The new Library Branch will be a valuable resource for families onsite as well as for the neighborhood
- Challenges for those experiencing homelessness are better addressed from a foundation of housing
- The GES Coalition, Inc. (“GESC”) will have an ownership interest in the development which in return will allow for below market rents for the 4,100 SF commercial space. A desired occupant of the space would be a café, grocery store, or market.

Community Engagement

HOST held 3 public meetings in 2019 & 2020 (two in-person and one virtual) before the issuance of the solicitation to solicit feedback regarding the planned uses of the properties.

As a part of the Request For Proposals requirement, the developer was required to reach out to the community and gain at least one letter of support for the development project.

Globeville Redevelopment Partners (“GEP”) has been involved with the GES community for nearly two years on the development of 4995 Washington Street in collaboration with GES Coalition, Inc. (“GES”), a nonprofit partner, known as the Development Team. GES has been leading the community engagement efforts in the GES community since the inception of this project in 2022. The Development Team has had many public meetings, one such meeting was with over 200 people who attended to learn more about the project. There have been multiple group center meetings in Globeville with over 30 attendees per meeting, regular visits to Garden Place Academy (the Denver Public School in neighborhood), and small “cafecitos”, specifically for Spanish speakers, led by GES Coalition, Inc. The GES community has been a valued stakeholder of the project development process and has helped lead the direction of the overall building design and commercial uses.

GESC has also been in constant dialogue with Denver Public Library, holding dozens of meetings with Denver Public Library officials on the branch design and facility considerations for the new Globeville Library branch at 4995 Washington Street. The Development Team has also co-hosted public community meetings related to the new Globeville library branch, led by GES Coalition. They have been in consistent contact with neighborhood groups including, Globeville Civic Partners, United Community Action Network, Councilman Darrell Watson, State Senator Julie Gonzalez, The City and County of Denver Office of Housing Stability (HOST), as well as surrounding property owners and stakeholders.

Proposed Actions

The project requires the developer to enter a 99-year ground lease as a part of the development project.

This will preserve City owned land while enforcing restrictions for affordable housing and at least two community serving spaces, one being the new Denver Library.

The library will support the community onsite and the neighborhood.

Gap financing will support the development of the project.



Ground Lease and Exhibits

The Ground Lease will contain Exhibits for the leased premises and permitted mortgages.

\$10/year for 99 years



Gap Financing

Loan Agreement, Deed of Trust and a Promissory Note
\$9,800,000
\$300,000 of CASR Green Building Funds &
\$9,500,000 HOST Local Funds



Library Condo Unit Acquisition

Purchase and Sale Agreement
\$9,000,000
RISE GO Bond Funds

GROUND LEASE

4965 Washington Street | Denver, CO 80216

(4995 Washington Street, 4964 N Pearl Street and 624 E 50th Avenue)

Ownership: City and County of Denver

Council District: 9

Lot Size: 3.2 acres approx.

Zoning: G-MS-5

Term: 99 years

Restrictions: Affordability and Occupancy; will require at least two community serving spaces

Cost: \$10/year

Contract Control #: FINAN-2025-_____

Resolution #: 25-_____

Estimated Financial Closing: mid-2025

Currently under site control by GRP. At financial closing, the Site Control Agreement will end, and the ownership entity will enter a 99-year ground lease on all three properties.



GAP FINANCING

HOST Gap Financing

Support the affordability project development

Gap financing documents will include a loan agreement, deed of trust and a promissory note.

Funds provided to: 4965 Washington LLP

Purchase Price: \$9,800,000

Contract Control #: _____

Resolution #: 25-0702

Terms: \$4m must-pay debt with interest only payments, \$5.8 of subordinate debt entitled to 75% of surplus cash flow.

Estimated Closing: mid-2025

Funding: \$300,000 of CASR Green Building Funds & \$9,500,000

HOST Local Funds



Photo from John Ronan Architects

LIBRARY

4965 Washington Street | Denver, CO 80216
Council District: 9
Building Size: 10,000 square feet approx.

Seller: 4965 WASHINGTON STREET LLP, a Colorado limited liability partnership
Purchase Price: \$9,000,000
Contract Control #: FINAN-2025_____
Resolution #: 25-_____
Terms: Terms: CCD will acquire a fully constructed Library to be one of three condo units in the affordable housing small planned community
Estimated Closing: 2027
Funding: RISE GO Bond funds

The Library will be purchased after construction is complete per the Purchase and Sale Agreement, pending City Council approval. Funding for this will be RISE GO Bond funding in 2026.



Photo from John Ronan Architects

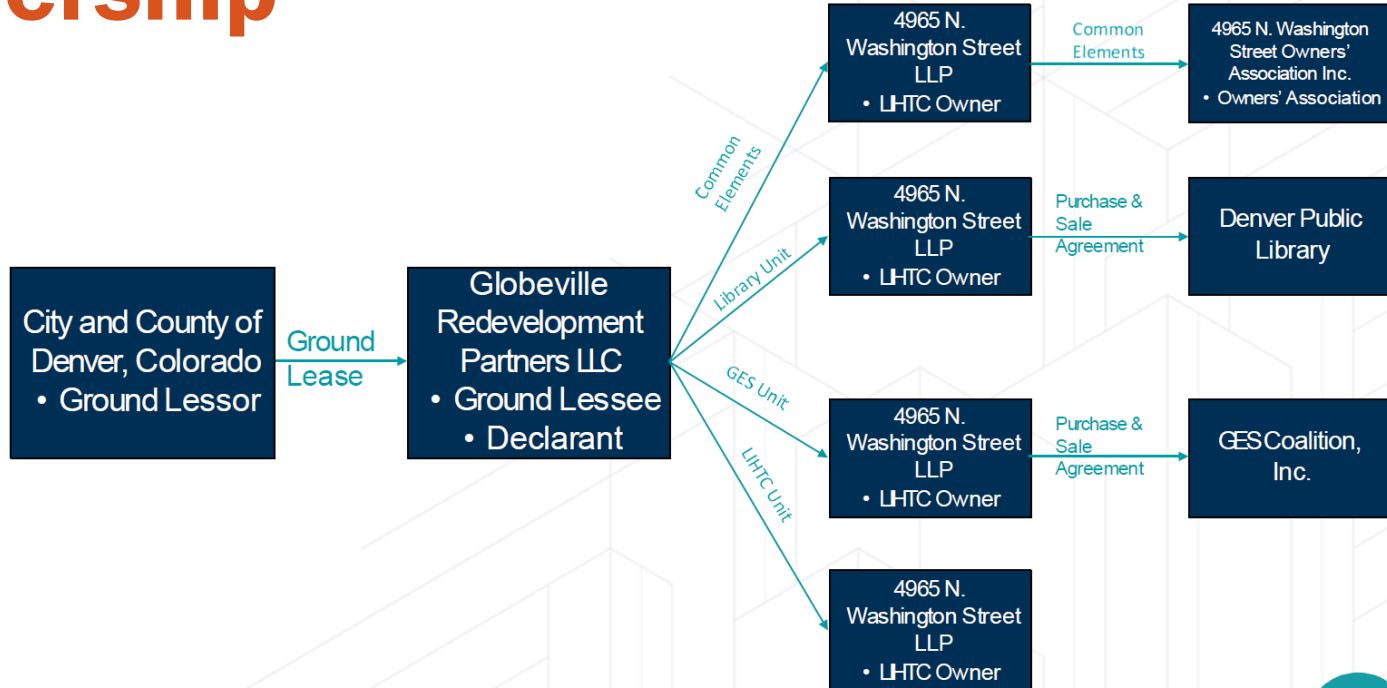
Globeville Public Library

Photos from John Ronan Architects



New onsite Globeville Branch Denver Public Library with access to resources like computers, books, and community space

Ownership



Commercial Space Condo Unit

OWNER: The GES Coalition, Inc. (GESC) is a group of neighborhood leaders and community organizations working to align community health and the well-being of their neighbors through advocacy campaigns to prevent displacement of our neighbors, activate resident-driven leadership, protect historically marginalized neighborhoods, preserve affordability in housing, and promote a culture that welcomes neighbors who value our long-standing culture, interconnectedness, and commitment to equity. GESC is a community land trust based in the Globeville neighborhood.

SPACE: Approximately 4,100 square feet of commercial space will be owned by the GES Coalition, Inc., who is also a member of the development team and be leased to a nonprofit user. This space will be built out to a white space finish and transferred as a condominium unit via a Purchase and Sale Agreement that will be executed at financial closing.

PROPOSED USES: Community serving space and likely to be a café or market or other community service space. SAME Café and Prodigy Coffee at exploring the opportunity to lease space. They will require below-market rents to make their operations in this commercial space financially feasible for the long-term.

Affordable Housing Condo

170 units of housing for households earning between 30% to 80% AMI.

Five-story building will include:

- 70 x 1-bedroom units
- 15 x 2- 1-bedroom units
- 52 x 3- 1-bedroom units
- 33 x 4- 1-bedroom units

35% of the units affordable at or below 30% of AMI

15% of the units affordable between 31% and 50% of AMI

50% of all units are 3- or 4-bedroom units

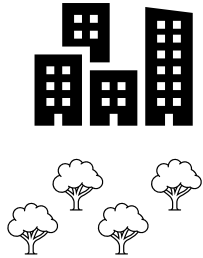
20 Permanent Supportive Housing Units



Photos from John Ronan Architects

Residents may access 111 parking spaces on site. The all-electric building exceeds the City's sustainability standards and will be the first affordable development in Denver to use cross-laminated timber.

Community Perks



Community driven design of the development through The GES Coalition, Inc. (“GESC”) community engagement

50,000 SF of green common space with trees and grass; designed for families, kids and pets

Onsite bike racks

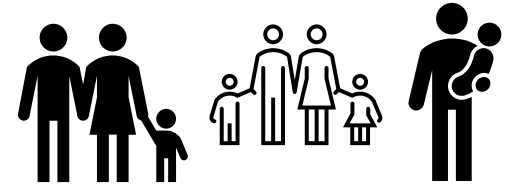
Onsite public library

Community-serving commercial space

Permanent Supportive Housing on-site services provided by Family Tree

Residents may access 111 parking spaces on site

The all-electric building exceeds the City’s sustainability standards and will be the first affordable development in Denver to use cross-laminated timber.



3- & 4-bedroom units for families



Occupants will have access to bus line along Washington Street

Affordable Housing



Photos from John Ronan Architects

Timeline of Upcoming Events

2025

- Ground lease with exhibits proposed for City Council approval (Nominal lease - \$10/year)
- Gap financing to support the project proposed for City Council approval. (HOST Local Funds and CASR Green Building funds)
- Private Activity Bond funds to be delegated to Denver Housing Authority. No City Council action required.
- Purchase and Sale agreement for the Library proposed for City Council approval. (RISE GO Bond funds)
- Financial closing estimated mid 2025. The site control agreement with the City ends and ground lease begins.
- Developer to finalize design for construction and apply for all required permits
- Construction starts



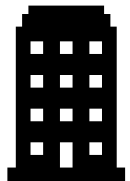
2026

- Construction continues
- City is under contract on the library



2027

- Construction completion
- City closed on the purchase of the Library once construction is complete
- Occupancy for affordable housing units to begin



Requested City Council Action

25-_____ & 25-_____ : The Division of Real Estate and HOST requests City Council approval of the Ground lease with Exhibits, Gap Financing Documents and the Purchase and Sale Agreement for the library as a part of the affordable housing redevelopment project located at 4965 Washington Street.



Questions?

GROUND LEASE

Rental Housing Restrictions

1. The Property Owner shall maintain the Property and use the dwelling units only for residential rental housing. The Property Owner agrees to provide one hundred seventy (170) affordable rental dwelling units located on the Property (the “Affordable Units”).
2. Fifty (50) of the units at the Property (the “80% Units”) shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as established by the U.S. Department of Housing and Urban Development (“HUD”), under 24 C.F.R. 888.111, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 80% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.
3. Thirty-five (35) of the units at the Property (the “70% Units”) shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as established by HUD, under 24 C.F.R. 888.111, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 70% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.
4. Twenty-five (25) of the units at the Property (the “50% Units”) shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as established by HUD, under 24 C.F.R. 888.111, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 50% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.
5. Sixty (60) of the units at the Property (the “30% Units”) shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as established by HUD, under 24 C.F.R. 888.111, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 30% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.

GROUND LEASE

Occupancy/Income Limitations

The occupancy and income limitations for the Affordable Units are:

1. The 80% Units shall be occupied by tenants whose incomes are at or below eighty percent (80%) of the median income for the Denver area as determined by HUD, with adjustments for family size.
2. The 70% Units shall be occupied by tenants whose incomes are at or below seventy percent (70%) of the median income for the Denver area as determined by HUD, with adjustments for family size.
3. The 50% Units shall be occupied by tenants whose incomes are at or below sixty percent (50%) of the median income for the Denver area as determined by HUD, with adjustments for family size.
4. The 30% Units shall be occupied by tenants whose incomes are at or below thirty percent (30%) of the median income for the Denver area as determined by HUD, with adjustments for family size.

Designation of Units. All of the Affordable Units are floating, and are designated as follows:

BEDROOMS	30% Units	50% Units	70% Units	80% Units
1 Bedroom	33	12	10	15
2 Bedroom	7	3	2	3
3 Bedroom	10	5	5	32
4 Bedroom	10	5	5	13
TOTAL	60	25	22	63