
Proposed Dispositions

8315 E. Colfax Avenue & 1500 N. Valentia Street
Denver, Colorado

Finance and Governance Committee, _____, 2020
Bill # _____

Background and Proposed Use

8315 E. Colfax Avenue & 1500 N. Valentia Street

- The City acquired both the Colfax and Valentia Street parcels in 2017, with the specific intention of fostering the development of critically needed affordable housing.
- HOST has conducted a robust RFP, selecting Mercy Housing Mountain Plains (“Mercy”) as the partner most qualified to successfully complete the project.
- Mercy proposes to provide 81 affordable units at 80% of the area median income (with the intent of deeper AMI restrictions associated with the gap financing). Mile High Early Learning will lease space from Mercy and provide early childhood educational resources on-site.

Properties Overview

8315 E. Colfax Avenue & 1500 N. Valentia Street

Current Asset Status: The Colfax parcel contains a vacant building with an adjacent parking lot located on the Valentia site. Purchaser's use will be based on site re-development rather than re-purposing the existing structure.

8315 E. Colfax land size:

- Approximately 0.55 acres | 23,875 square feet

1500 N. Valentia Street land size:

- Approximately 0.26 acres | 11,400 square feet

Zoning: E-MS-5

Property Location #1

8315 E. Colfax Avenue

Located on the northeast corner of N. Valentia Street and E. Colfax Avenue
City Council District: 8



Property Location #2

1500 N. Valentia Street

Located just north of the 8315 E. Colfax Avenue parcel along the east side of N. Valentia Street.

City Council District: 8



Community Engagement

8315 E. Colfax Avenue & 1500 N. Valentia Street

HOST held three public meetings with the East Colfax Neighborhood Association (ECNA) Registered Neighborhood Association in 2017 and 2018 between purchase of the property and issuance of the solicitation.

After award in June 2019, HOST introduced the 8315 E. Colfax & 1500 N. Valentia Street project to the neighborhood on July 16, 2019.

HOST held a virtual townhall on May 4, 2020 with broad community audience. The virtual townhall was opted over in-person meetings because of stay at home and safer at home measures in place during the Covid-19 pandemic. This project is widely welcomed by the community.

Selection Process

8315 E. Colfax Avenue & 1500 N. Valentia Street

- HOST engaged with a number of diverse non-profit organizations to solicit the most qualified partner with whom to partner in the redevelopment of both properties.
- Mercy Housing Mountain Plains (“Mercy”) was selected as that partner, demonstrating the capacity to complete the project and incorporate the delivery of community services by leasing space to Mile High Early Learning, which provides early childhood education services on-site.

Mercy Housing Mountain Plains

Company Overview

As one of the largest national affordable housing companies, Mercy collaborates nationally and regionally with public, private and government partners to combine the best affordable housing development practices to build communities. They handle every aspect of the process from project financing and housing development to community outreach and long-term resident services.

Mercy has served more than 152,000 people. They have participated in the development, preservation and/or financing of more than 48,200 affordable homes. They are one of only a few national organizations that provide affordable housing for all low- and moderate-income populations. They serve families, seniors, and people with special needs with the full spectrum of affordable housing, including supportive housing for the formerly homeless, transitional housing, permanent rental, and affordable homeownership opportunities.

Information provided by: <https://www.mercyhousing.org>

Proposed Deed Restrictions

8315 E. Colfax Avenue & 1500 N. Valentia Street

- The City and County will impose a 99-year deed restriction on the property. The City's agreement to transfer the Property to Mercy is specifically made in reliance on Purchaser's willingness to construct and operate 81 affordable residential dwelling units.
- The household income of tenants residing in the residential facility will be restricted to 80% or lower of area median income (as determined by the United States Department of Housing and Urban Development).
- Mercy, on behalf of itself and its successors and assigns, has agreed that the development must be used as a Residential Facility only, subject to the terms of a regulatory agreement with a lien priority senior to any loan or mortgage.
- The development may also contain an early childhood education facility on-site in addition to the Residential Facility.

Recommendation

8315 E. Colfax Avenue & 1500 N. Valentia Street

Through disposition of existing assets specifically acquired for development purposes, the city has before it a unique opportunity to support development of critically needed permanently affordable housing.

The Division of Real Estate, on behalf of HOST, proposes to sell 8315 E. Colfax Avenue and 1500 N. Valentia Street to Mercy Housing Mountain Plains, a Colorado non-profit corporation, for the amount of \$10.00.