



Legislation Details (With Text)

File #: 18-1278 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 10/30/2018 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 12/3/2018 **Final action:** 12/3/2018

Title: A resolution approving a proposed Loan Agreement between the City and County of Denver and Walnut Street Lofts, LLLP to construct a structure at 3733 Walnut Street containing 66 units of income-restricted housing.
Approves a loan agreement with Medici Development LLC., doing business as Walnut Street Lofts, LLLP for \$1,350,000 to support the construction of 66 units of income-restricted housing for residents earning between 0% and 60% of area median income, located at 3601, 3733, and 3789 Walnut Street in Council District 9 (OEDEV-201844238-00). The last regularly scheduled Council meeting within the 30-day review period is on 12-17-18. The Committee approved filing this item at its meeting on 11-14-18.

Sponsors:

Indexes: Emily Lapel

Code sections:

Attachments: 1. RR18 1278 OED Walnut Street Lofts, 2. Walnut Street Lofts 111418, 3. 18-1278 Filed Resolution_Walnut Street Lofts, LLLP 201844238-00, 4. 18-1278 Loan Agreement_Walnut Street Lofts, LLLP 201844238-00, 5. 18-1278 Filed Resolution_Walnut Street Lofts, LLLP 201844238-00.pdf, 6. 18-1278 - signed

Date	Ver.	Action By	Action	Result
12/4/2018	1	Council President	signed	
12/3/2018	1	City Council	adopted	Pass
11/14/2018	1	Safety, Housing, Education & Homelessness Committee	approved for filing	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 10-30-18

Requesting Agency: Office of Economic Development
Division:

Subject Matter Expert Name:

Name: Susan Liehe 720-913-1689

Email: susan.liehe@denvergov.org

Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.

A resolution approving a proposed Loan Agreement between the City and County of Denver and Walnut Street Lofts, LLLP to construct a structure at 3733 Walnut Street containing 66 units of income-restricted housing.

Approves a loan agreement with Medici Development LLC., doing business as Walnut Street Lofts, LLLP for \$1,350,000 to support the construction of 66 units of income-restricted housing for residents earning between 0% and 60% of area median income, located at 3601, 3733, and 3789 Walnut Street in Council District 9 (OEDEV-201844238-00). The last regularly scheduled Council meeting within the 30-day review period is on 12-17-18. The Committee approved filing this item at its meeting on 11-14-18.

Affected Council District(s) or citywide? CD 9

Contract Control Number: OEDEV-201844238-00

Vendor/Contractor Name (including any "DBA"): Medici Development LLC., doing business as Walnut Street Lofts LLLP

Type and Scope of services to be performed:

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 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.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract: 1-1-19 - 12-31-68

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term: \$1,350,000

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)