File #: 22-1270, **Version:** 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 10-10-2022

Requesting Agency: Department of Finance
Division:

Subject Matter Expert Name: Lisa Lumley
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Phone Number:

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 Agreement between the City and County of Denver and Globeville Redevelopment Partners, LLC to allow the proposed developer to conduct due diligence and determine the feasibility of building affordable housing with community commercial space, with an option for a ground lease at 4995 Washington Street in Council District 9.

Approves an agreement with Globeville Redevelopment Partners, LLC for $50,100 and through 12-31-2024, to allow the proposed developer to conduct due diligence and feasibility of building affordable housing with community commercial space, with an option for a ground lease at 4995 Washington Street in Council District 9 (FINAN-202264574). The last regularly scheduled Council meeting within the 30-day review period is on 11-14-2022. The Committee approved filing this item at its meeting on 10-18-2022.

Affected Council District(s) or citywide? 9

Contract Control Number: FINAN-202264574

Vendor/Contractor Name (including any "DBA"): Globeville Redevelopment Partners LLC

Type and Scope of services to be performed:

Background

- There is an increased need for affordable housing in Denver. The City acquired 4995 Washington Street in 2019 for $6,000,000, with the specific intention of fostering development of critically needed affordable housing. CDBG Funds were used in the acquisition.

- After the acquisition, HOST conducted 3 community engagement meetings (two in-person and one virtual) before the issuance of the solicitation to solicit feedback regarding the planned uses of the properties.

- In 2022, HOST and Real Estate issued a Request for Expression of Interest to further gain insight from developers on what could be proposed and feasible to develop on-site, with the community focus in mind. With that insight, HOST and Real Estate were able to put together a robust Request for Proposals in 2022. This RFP required respondents to reach out to the community for input and gain at least one letter of support for the development project they propose. We received three submittals 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 percent (30%) of the units in the project as affordable for households at or below 30% of the area median income ("AMI") as published by the CHFA. The development will also provide two additional community-serving commercial spaces.

- The proposed Site Control Agreement and Option for Ground Lease will allow GRP to enter onto the site, gain site control for due diligence and financial purposes for development. Upon financial closing, GRP will enter into a 99-year ground lease for the site. The agreement will also grant GRP an option to enter into the ground lease to satisfy CHFA requirements so that a LIHTC application can be submitted.

- The development may also contain a Denver Public Library on-site as one of the two community serving spaces. If DPL moves forward with this location and as a part of this development, they will enter into a separate agreement.

Populations Served

- The development of 4995 Washington will serve larger families that are in need of affordable housing. This project will add more units in the community and will also give Globeville needed units.

Associated Agreements

- At or before GRP's financial closing, the City and GRP or the tax credit entity will enter into a ground lease for 4995 Washington Street.

- GRP will submit an application to HOST for funding at or after an award of Low-Income Housing Tax Credits from the Colorado Housing and Finance Authority ("CHFA"). HOST funding will be provided to the project based on the term sheet in effect at the time of application.

- The additional funding will help support the development project and project some gap financing.

- Should the Denver Public Library choose this location, the acquisition will be done through a separate

Purchase and Sale Agreement once the asset is fully developed.

Details

Landlord:	City and County of Denver
Tenant:	Globeville Redevelopment Partners LLC
Property Address:	4995 Washington Street, Denver
Council District:	9
Use:	Affordable housing and two commercial community serving spaces.

Terms and Costs

Contract Details:	Original Contract
Contract Type:	Site Control Agreement and Option for Ground Lease
Contract Control Number:	FINAN-202264574-00
Term:	Effective Date thru 12/31/2024; or such time as mutually agreed upon in writing by the Parties.
Ground Lease Option Fee:	$50,000
Earnest Money Ground Lease:	$100
Ground Lease Term:	99-Years; start date will be at the time of financial closing.
Proposed # units:	170+

Location (if applicable): 4995 Washington Street, Denver

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

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

Is the contract new/a renewal/extension or amendment?
New
Was this contractor selected by competitive process or sole source?
Competitive
For New contracts
Term of initial contract:
Term would start as of the effective date and go through December 31, 2024, or such time as mutually agreed upon in writing by the Parties.
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: A non-refundable option fee of Fifty Thousand Dollars ($50,000.00) from the Tenant as consideration for the Option, due thirty (30) business days after the Effective Date of the Site Control Agreement. And a non-

refundable earnest money deposit of One Hundred Dollars ($100.00) in consideration for the Ground Lease to be completed prior to December 31, 2024.

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.)