

# Request for Expressions of Interest

4995 Washington Street, Denver, CO

Release date: January 26, 2022

The City and County of Denver (the “City”) is pleased to issue this Request for Expressions of Interest (“REOI”) to solicit expressions of interest by qualified for-profit and nonprofit developers to enter into a partnership to provide affordable housing in the city of Denver at the city-owned site located at 4995 Washington Street (“Property”). This REOI is used as the pre-project development stage tool to gauge interest in the opportunity, facilitate potential partnerships and help refine the vision for the project based on feedback from this REOI. This REOI informs the City’s identification of qualified development partner(s) to enter into a 99-year nominal land lease of the Property for rental units. The City’s preference for this project is to convey the full property for the development of low-income rental housing and/or for-sale affordable housing in accordance with the affordability goals set forth in the Department of Housing Stability Five-Year Strategic Plan and the 2022 Action Plan. The proposed development of the Property will include a community services space as a part of the scope of the project. Responses to this REOI must outline access, parking, ownership, maintenance, proposed use, and define the scope of partnership with this community services partner. Additional commercial space could be included in this project but is not required.

## **Property: 4995 Washington Street**

- 4995 Washington Street is a City-owned property located on the southwest corner of E. 50<sup>th</sup> Avenue and N. Washington Street. The property consists of 9 adjacent parcels, is zoned as G-MS-5 and the lot size is approximately 116,993 square feet (approx. 2.686 acres).
- The Property was purchased in 2019 by the City with the intent that the land would be acquired for a mixed-use development of affordable housing and meet a need for community space in the area.
- The development of 4995 Washington Street property is an important aspect of the City’s strategic housing plan by providing an opportunity to partner with a developer in the community to provide affordable housing and project-based community services. The City’s preference is to enter a 99-year nominal land lease on this site (\$10/year).
- The size of the Property provides an opportunity to develop several stories high and the location is favorable for providing needed services and housing.
- The Property is located along a corridor with significant planned investment and within one mile of the National Western Center and the RTD North Metro commuter line train station.

This request for expressions of interest aims at identifying entities that could be invited to exploratory talks on a potential project with the City.

### **Preferred Project Criteria**

The City is seeking to partner with a for-profit or non-profit partner that provides preferred criteria for the project as outlined below.

- Minimum 30% of rental units must serve households making 30% of the area median income (AMI) or lower, without vouchers.
- The project concept needs to demonstrate how the contribution of the land value reduces the financing gap. (The property was acquired by CCD in 2019 for \$6 million).
- Community-serving ground floor use.
- Maximize housing units on site.

Additional innovative concepts may be considered on-site, if feasible, but the project must be primarily affordable rental units.

### **Project Concept**

The ability of respondents to implement their proposed project development concept will be assessed, with a particular focus on knowledge, efficiency, and reliability as demonstrated through past development experience.

Respondents should include in their expression of interest a Project Concept. It should in principle address the satisfaction of the essential criteria for the project. A response to this REOI should address how the City's preferred criteria are incorporated into the overall project concept:

- **Development Plan:** The composition of the development, including any active commercial space, community-serving space, and the number of residential units that will be provided, by affordability and bedroom count. A higher quantity of affordable units and a mix of incomes, including units affordable to households at or below 30% of AMI, are strongly encouraged. Further, preference will be given to proposals that incorporate three- and four-bedrooms units.
- **Community Engagement:** Meaningful community engagement is critical to the integration of any project into its surrounding neighborhood. Please provide a detailed description of planned community engagement.
- **Financing:** Provide a conceptual outline of proposed financing for the project. The City currently anticipates participating in the project's financing in an amount up to \$25,000 per unit, inclusive of land value, conditioned upon the project underwriting and the degree to which goals and priorities described above are met or exceeded.
- The selected awardee will be eligible to apply for housing development funds through HOST to support the housing portion of the redevelopment project.
- **City Council Approval:** Please note the sale/lease of the Property and requests for funding over \$500,000 must be approved by Denver City Council.

- **Community-Serving Space:** Responding to strong interest from community stakeholders for a community-serving ground-floor use, respondents should demonstrate how the Project Concept will incorporate this use and how the Development Team will engage community stakeholders further on this request.
- **Library Option:** Denver Public Library may have an interest in establishing a branch as part of the development which assumes a space of approximately 8k – 10k square feet. The City would require ownership of the Library. This could be a condo or stand-alone location. City funds would be used towards the construction and tenant improvement. Please include a library scenario. A library would count toward the community serving use requirement.
- **Ownership:** Describe the proposed ownership and management structure of the affordable housing development, community services space, and any other commercial space.
- **Disposition:** The City's preference is to convey a 99-year leasehold interest in the Property.
- **Deed Restrictions and City Repurchase Rights:** In the event that the Property is sold rather than leased, there will be a minimum 99-year affordability provision contained in the City's Quit Claim Deed as well as the right to repurchase in the event of a default.
- **Experience:** Provide a detailed description of the applicant's and developer's experience in the development and operation of affordable housing, commercial mixed-use development, and community services spaces. Provide information regarding experience relevant to a project that may have a complicated ownership structure. The City will consider a transaction and development plan where there is a municipal service incorporated into the project or a service provider would separately own a portion of the Property rather than have a leasehold interest.

### **Vision Statement**

The Vision Statement should be no more than 5 pages and describe the applicant's approach, methods, and means to carry out the tasks to be entrusted. This paper shall outline all the elements required and necessary for the performance of the tasks to be entrusted. The Vision Statement shall comprise as a minimum: (a) a high-level project overview, explaining the overall approach, the entities involved, and their respective roles for the implementation of the delegated tasks, (b) the proposed acquisition or 99-year nominal land lease and development of the Property, (c) any implementation risks, which could impede the service provision and the potential mitigation measures, and (d) a high-level schedule with key program-level milestones.

This response should also answer/describe:

1. How will you manage this work to ensure it is successful?
2. Describe your institutional and management capacity to undertake this vision.
3. Describe your financial capacity.

4. Describe what kind of experience your organization has in working directly or indirectly in the development of similar affordable housing projects.
5. What are the key risks associated with the execution of your idea/business plan that could undermine your success?

### **Submission of Expressions of Interest**

Expressions of Interest, incorporating all elements required herein, must be submitted electronically to the Division of Real Estate email address: [RealEstate@denvergov.org](mailto:RealEstate@denvergov.org) with attention to Lisa Lumley, Director of Real Estate, and reference to this REOI before 2:30 PM Mountain Standard Time, February 7, 2022. The subject of the email should address the 4995 Washington REOI submittal.

### **Clarifying Questions from Respondents**

The City shall not be bound by, and the respondent shall not request or rely on any oral interpretation or clarification of this REOI. Therefore, any questions regarding this REOI are encouraged and should be submitted in writing by email to: [RealEstate@denvergov.org](mailto:RealEstate@denvergov.org).

Clarifying questions received prior to the deadline to submit a response to this REOI will be answered in writing via an addendum to the REOI posted on the Real Estate website prior to the due date for expressions of interest. Answers to questions from any respondent will be provided to all respondents in the form of an Addendum to this REOI on the Real Estate website. Respondents may be asked to participate in a telephone or virtual interview during which the City may ask clarifying questions.

### **Communications**

All communications regarding this proposal shall only be through the address listed above. No communication is to be directed to any other City personnel. The Division of Real Estate reserves the right to modify or cancel this REOI, in part or in whole, and is not obligated whatsoever to proceed forward with any particular respondent, if, in its judgment, it deems it to be in the best interest of the City to not do so.