

NEWS RELEASE

March 21, 2019

Contact: Christi Smith, Urban Land Conservancy
303.907.1245 | csmith@urbanlandc.org

Urban Land Conservancy and Medici Consulting Group Break Ground on 66 Units of Permanently Affordable Housing in Denver's Cole Neighborhood

Transit oriented development (TOD) held in a Community Land Trust (CLT) to ensure permanent affordability

DENVER – Urban Land Conservancy (ULC) is partnering with Medici Consulting Group (MCG) to develop 66 units of permanently affordable housing adjacent to the 38th and Blake Station on RTD's A Line Commuter Rail. The site, located at 3773 Walnut Street, sits at the intersection of Denver's Cole, Five Points and RiNo neighborhoods, all which have experienced rapid displacement. In an effort to increase long term affordability, the land will join ULC's growing Community Land Trust (CLT), ensuring the housing remains permanently affordable through a 99-year renewable ground lease.

"Walnut Street Lofts is an ideal example of our goal to design well-designed, quality housing in a transit accessible area for the long term benefit of our future residents," said Troy Gladwell, MCG's President and Founder. "Our team recognizes the critical importance of affordability in this neighborhood, and we want our residents to not only afford their home but be a very proud resident of their beautiful apartment."

The Metro Denver region currently suffers from a deficit of over 100,000 affordable homes. In an effort to combat the growing need of affordable units, the City and County of Denver recently doubled its Affordable Housing Fund to \$30 million annually, which will produce a \$105 million funding surge in upfront funding to help create, preserve or acquire land for more than 6,000 units over the next five years. Denver Economic Development & Opportunity (DEDO) awarded Walnut Street Lofts \$1,350,000 from the Affordable Housing Fund, a critical investment in the successful development of these 66 units.

"Walnut Streets Loft will be a triple win for our community and hard-working families, offering affordable apartments, permanent affordability and the connections to services, jobs, education and more through direct, convenient transit access," said Denver Mayor Michael B. Hancock. "As the 38th and Blake Station takes shape as a prime example of transit oriented development, today's groundbreaking will help to ensure that the residents here continue to have access to the equity and opportunity they need and deserve."

ULC purchased the site in 2011 using Denver's Transit Oriented Development (TOD) Fund due to its close proximity to a major transit corridor. In 2017, ULC worked to activate the vacant land, helping to create Beloved Community Tiny Home Village - Colorado's first tiny home for individuals experiencing homelessness. ULC leased a portion of the site to Beloved Community to serve as interim use while development plans were finalized. The tiny home village has proven to be a catalyst for success, with residents reporting increased employment rates and many residents transitioning into more permanent forms of housing.

Walnut Street Lofts will serve residents making between 30-60% of Area Median Income (AMI) with rents ranging from approximately \$400 for a one-bedroom to \$1,200 for a three-bedroom. The affordability of the development is largely due to the incorporation of a CLT, with ULC executing a 99-year ground lease with MCG. The current land value in this area makes affordable housing development cost prohibitive; ULC's CLT creates a feasible option for affordable development as MCG did not have to incur the expense of buying land.

"ULC recognizes the power in owning the land for long term community benefit, as CLTs are a proven tool in reducing displacement of working families," said Mark Marshall, ULC's Director of Real Estate. "With this land being part of

ULC's CLT, we ensure that these 66 units are affordable for 198 years, far beyond the covenants put in place through other financing tools. Many generations of Denverites will find affordable homes in this development."

"Building an inclusive city requires building housing for all, which can be a challenge," said Councilman Albus Brooks, City of Denver District 9. "The Walnut Street Lofts is a model for future development, and should stir the hearts of urbanists everywhere: permanent affordable housing adjacent to transit, beautifully designed and well-managed. I'm proud to have the Urban Land Conservancy and Medici Consulting Group hard at work in District 9."

In 2017, MCG was awarded \$1,198,115 in Low Income Housing Tax Credits (LIHTC) by Colorado Housing and Finance Authority (CHFA), which will leverage over \$11 million in equity to finance the development. CHFA further supported the project with \$3.6 million in permanent financing. In addition, Walnut Street Lofts is one of the first projects to be approved to receive funding from CHFA's Capital Magnet Fund created in 2018 by receiving a \$600,000 loan, and a \$150,000 grant. In total, Walnut Street Lofts is estimated to be an \$18.8 million development with additional support coming from the Denver Affordable Housing Fund and the State Division of Housing.

"CHFA appreciates the collaboration among partners and their dedication to creating affordable housing," said Cris White, CHFA's Executive Director and CEO. "In alignment with our mission of strengthening Colorado by investing in affordable housing and community development, Walnut Street Lofts will provide an immediate benefit to the community, providing local residents both affordable housing and transit accessibility."

In 2014, ULC and MCG partnered on the development of the Evans Station Lofts in Denver, an award winning and nationally recognized affordable housing community showcasing innovative design and building character. The Walnut Street Lofts will include many of the same amenities as Evans including community space, a fitness center, computer lab, rooftop deck and a courtyard.

The Walnut Street Lofts is scheduled for completion in spring 2020.

The construction of Walnut Street Lofts complements several other steps Denver is taking to boost affordability and other work DEDO is doing to ensure the success of Denver's economy is shared by our residents, businesses, and neighborhoods.

- A total of 1,145 affordable units that have received City financing are currently under construction at 13 sites throughout Denver, and an additional 921 units are anticipated to break ground over the next year
- Through recent revisions to the Preservation Ordinance, the minimum affordability period for rental projects receiving City subsidies has increased from 20 to 60 years
- In its first year, the new Temporary Rental and Utility Assistance Program helped stabilize approximately 1,000 households
- In response to the recent federal government shutdown, Denver launched a new mortgage assistance program to support homeowners facing a hardship due to unexpected changes in their employment status
- Denver's new down payment assistance program, metroDPA, helps put home ownership within reach for low- and moderate-income individuals and families
- Denver's 2019 budget includes a record of nearly \$60 million that is available for investment into affordable housing units and programs

###

Established in 2003, **Urban Land Conservancy** is a nonprofit organization that uses real estate as a tool to benefit urban communities in metro Denver. ULC preserves, develops and invests in place-based real estate including affordable housing, nonprofit commercial space, community centers and schools. www.urbanlandc.org

Medici Consulting Group was founded in 2002. Through collaboration, development and construction of urban infill projects including affordable housing developments, MCG works to improve the places we live and work through green building and thoughtful, community focused design in the Denver region. www.mcgdenver.com

Colorado Housing and Finance Authority (CHFA)

CHFA strengthens Colorado by investing in affordable housing and community development. Created in 1973, CHFA invests in loans to low- and moderate-income homebuyers through our network of participating lenders, and makes loans to affordable multifamily rental housing developers and small and medium sized businesses. CHFA also provides education and technical assistance about affordable housing and economic development. CHFA is a self-sustaining public enterprise. CHFA issued debt is not the obligation of the state. For more information about CHFA please visit www.chfainfo.com.

Denver Economic Development & Opportunity is leading an inclusive and innovative economy for all Denver residents, businesses, and neighborhoods. By supporting local and global business development, affordable housing programs, and stabilization efforts in Denver's diverse neighborhoods, we are creating opportunity for everyone to make a home, get a job, and build a future.