

# Request for Expressions of Interest

Crossroads Shelter  
1901 29<sup>th</sup> Street, Denver, CO  
(Assessor's Schedule # 0227500033000)

Release Date: March 9, 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 collaborate with for the development of shelter and a component of income-restricted housing for persons experiencing homelessness and housing instability in the City of Denver at, or in proximity to, the City-owned site known as the Crossroads Shelter, located at 1901 29<sup>th</sup> Street ("Property"). This REOI is used at the pre-project development stage as a tool to gauge interest in the opportunity, start to facilitate a potential collaboration and help refine the vision for the project based on feedback from this REOI. The City may consummate a then fair market value sale or 99-year land lease (at a nominal rate of \$10/year) of the property as part of project development.

While the City views the Crossroads facility as an important part of the shelter system, the City also recognizes the development potential of the site. The City is issuing this REOI to explore partnering opportunities whereby the City could leverage the Crossroads site to further implement many of the affordability goals set forth in the City's strategic plan while also creating affordable housing at the site.

See HOST's Five-Year Plan here:

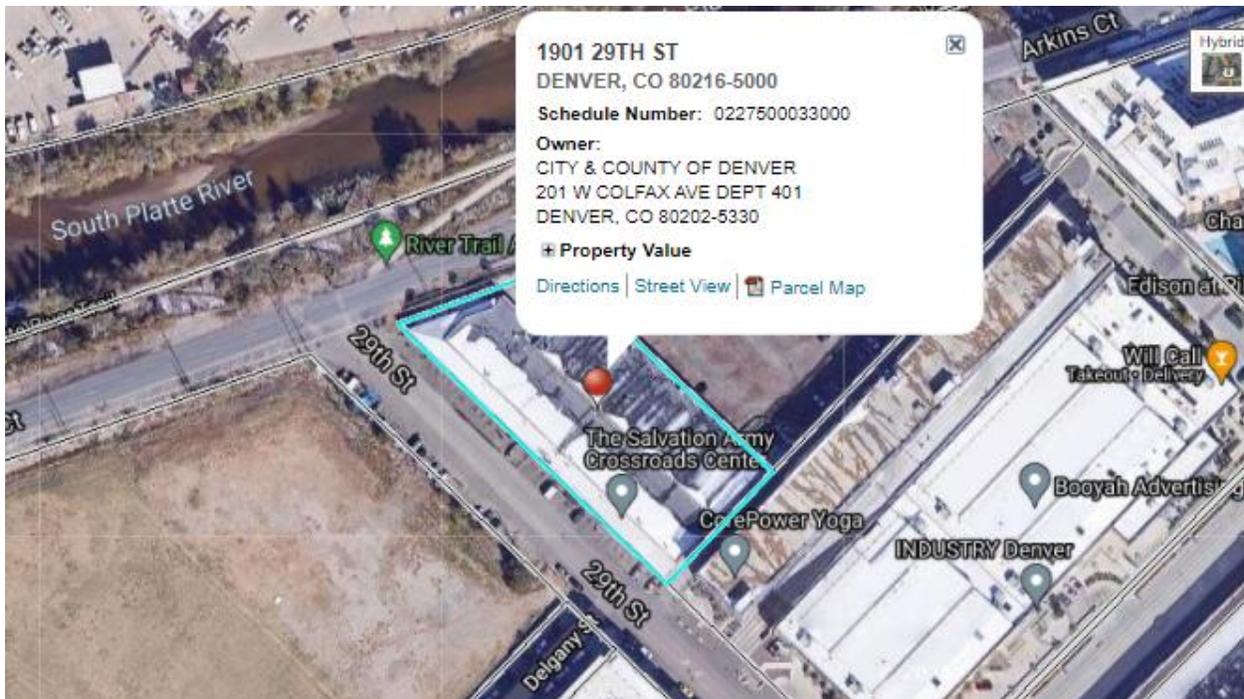
<https://denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Department-of-Housing-Stability/About-Housing-Stability/Plans-and-Reports/Five-Year-Strategic-Planning-Efforts>

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

## **Property: Crossroads Shelter - 1901 29<sup>th</sup> Street**

- The Crossroads Shelter is a City-owned property located on the northeast corner of W. 29<sup>th</sup> Street and Arkin Court. The City acquired the Crossroads Shelter in 2019 for a purchase price of \$10,500,000. The Salvation Army currently leases and operates the facility as a congregate, 24-hour men's emergency shelter. While the City recently purchased the Property, historically this Property has operated since 1983 as an emergency shelter serving people experiencing homelessness.

- The Property consists of one parcel, is zoned as C-MX-8 and the lot size is approximately 47,426 square feet (approx. 1.08 acres). The Crossroads facility is an important aspect of the City’s shelter system in terms of both size and location. The size allows it to provide accommodations for approximately 500 individuals daily at full capacity and the location of the facility provides individuals experiencing homelessness walkable access to various resources.
- This 2019 acquisition allowed the City to secure this facility, provide overnight shelter for individuals experiencing homelessness, and ensure uninterrupted shelter services for the community. Medium and long-term uses for the site will be determined with stakeholder input and align with the City’s strategic plan.
- The Property was acquired by the City with a federal financial award from the U.S. Department of Housing and Urban Development (“HUD”) and is subject to federal regulation 24 CFR § 570.505 *Use of Real Property*, whereby the City is required to limit the use of the Property to a shelter until October 31, 2024. The subject property must function solely as a shelter until this date.
- The Property is located in an active development area in the northern Denver corridor. This immediate area around 1901 29<sup>th</sup> Street has significant planned development including an 8-story mixed-use development to the north of the property located at 2950 Arkins Court and a 5-story affordable housing development located at 2700 Wewatta Way.



## **Preferred Project Criteria**

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

- The City is looking for proposed development options that may replace the capacity of the 500 shelter beds in a walkable area to downtown location(s). Any proposed development must replace the current capacity of 500 shelter beds in total and include a mixture of congregate and non-congregate beds, with no more than 300 of the 500 total beds being in a congregate setting.
- The City is also seeking a development plan for 1901 29<sup>th</sup> Street which includes a percentage of income-restricted housing targeting those earning 30% of AMI and below (with either a 99-year covenant recorded on the land or a 99-year land lease with a right to terminate the lease in the case of default).
- Congregate space is an open space without confined occupancy walls while a non-congregate space has private rooms for occupancy (like a hotel, apartment, etc.). Shelter space needs to be designed and built in a way to allow 24/7 access and services to guests.
- The City may either sell at the then fair market value (deed restrictions and City repurchase rights shall apply) or enter into a 99-year land lease (at a nominal rate at \$10/year) at 1901 29<sup>th</sup> Street in order to pursue a new shelter option that still provides the needed beds for those experiencing homelessness.
- Any proposed off-site location must be in proximity to downtown Denver, walkable and accessible to public transportation. Location boundaries for eligible off-site locations are I-70 to the north, I-25 corridor to the west, 6<sup>th</sup> Ave. to the south and York Street to the east, with a preference for locations with easy walking access to St. Francis Center and Denver Rescue Mission Lawrence Street Community Center.
- Project development structures should be at little or no cost to the City and respondents should not incorporate City financing, although the City would consider additional gap funding in exchange for additional income-restricted housing on site.
- Project timeline will need to accommodate current financing requirements as stated above.

Time is of the essence in meeting the emergency needs of residents experiencing homelessness. Those expressions of interest that address this need will receive a higher evaluation for more expedient timelines.

Additional innovative concepts may be considered, if feasible, but the project must provide enough shelter beds and income-restricted housing as described above.

## **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:** Provide a summary of the proposed development for a new shelter including a plan to incorporate the required beds counts (both congregate and non-congregate). The City is also seeking a development plan for 1901 29<sup>th</sup> Street which includes income-restricted (with a 99-year covenant recorded on the land or a 99-year land lease at a nominal rate of \$10/year with a right to terminate the lease in the case of default) housing targeting those earning 30% of AMI and below. While not required, outline any active commercial space, community-serving space or other mixed-use ideas that might be incorporated in the development.
- **Community Engagement:** Meaningful community engagement is critical to the integration of any project into its surrounding neighborhood. Please provide a description of planned community engagement.
- **Financing:** Provide a conceptual outline of proposed financing for the project. As stated above, the project development structures should be at little or no cost to the City and respondents should not incorporate City financing, although the City would consider additional gap funding in exchange for additional affordable income-restricted housing on site.
- **Ownership:** Describe the proposed ownership and management structure of the project.
- **Disposition:** The City's preference is to convey a 99-year leasehold interest in the Property but may consider selling at the then fair market value if the project meets all requirements and aligns with the City's strategic plan.
- **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.
- **City Council Approval:** Please note the sale/lease of the Property must be approved by Denver City Council.
- **Experience:** Provide a summary of the applicant's and developer's experience relevant to the proposed project.

## **Vision Statement**

The project concept 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 project concept shall at a minimum include: (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 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 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, **April 22, 2022**. The subject of the email should address the **1901 29<sup>th</sup> Street 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 Division 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 Division of 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 REOI 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.