



Denver Human Services
1200 Federal Blvd.
Denver, CO. 80204
Phone: 720.944.3666

DENVER
THE MILE HIGH CITY

DATE: October 9, 2012
FROM: Penny May
SUBJECT: Rocky Mountain Youth Housing, 1548 Ogden St.

The City and County of Denver owns an apartment building at 1548 Ogden St. that Denver Human Services (DHS) operates to provide 36 units of transitional housing for youth aging out of foster care in our Child Welfare program and for homeless youth. The department averages 13-15 youth housed at the property, with the remaining space filled by the general homeless youth population. The property was purchased in 2002 for approximately \$1.3 million with funds from a DHS special revenue fund. DHS pays all maintenance and utilities, and after netting tenant rental payments, has expended funds in the amount of \$109,000 to nearly \$230,000 each year over the last 5 years in the operation of the property.

The property is subject to a Land Use Restriction Agreement (LURA) dated Feb. 10, 1992. The term of the LURA is 40 years from the date of the agreement or 50 years from the date the property was initially occupied as multifamily housing. Occupancy requirements of the LURA state that 13 units must be made available to those earning less than 80% of the area median income and 8 units must be made available to families/individuals earning less than 50% of the area median income. Historically, we have dedicated this property to qualifying homeless youth.

Urban Peak is a non-profit corporation that helps homeless youth and youth at risk of being homeless overcome real life challenges by providing essential services and a safe community, empowering them to become self-sufficient adults. With funds from a grant from the State of Colorado, Department of Housing, Urban Peak desires to purchase the building for \$750,000. The goal of a sale of the property is to preserve youth housing and case management, while allowing DHS to focus on and invest in services for youth in the department's care without the added costs and responsibility of facility ownership or maintenance.

DHS has historically and currently contracted with Urban Peak to provide case management services which include group facilitation, youth assessments, crisis phone counseling, client documentation, and data collection. Additionally Urban Peak provides supportive services and life skills to afford youth the opportunity to obtain and maintain stable housing in order to transition into the community.

A draft contract has been prepared and reviewed by Urban Peak. The draft contract includes a 10-year buy back right of first refusal at the \$750,000 purchase price, should Urban Peak make any effort to sell the property during that time period. Urban Peak will continue to use the building to serve the needs of homeless youth.

Tentatively, if approved, the sale would close by the end of the year.