



Proposed Purchase and Sale Agreement

Property located at 12033 E. 38th Avenue and two adjacent parcels located at 3835 and 3805 N. Peoria Street (commonly known as Stay Inn) in Denver, Colorado

Finance and Governance Committee
December 13, 2022
Bill # 22-1632

Proposed Acquisition

Real Estate proposes the acquisition of the property located at 12033 E. 38th Avenue and the two adjacent parcels located at 3835 and 3805 Peoria Street (commonly known as Stay Inn) in Denver, Colorado. The building is currently vacant.

Building Size: Approx. 27,000 square feet (“SF”)

Land Size: Total of 70,272 SF Approx. (1.613 acres)

- 12033 E. 38th Avenue - 46,558 SF Approx.
- 3835 N. Peoria Street - 15,983 SF Approx.
- 3805 N. Peoria Street - 7,731 SF Approx.

Current Zoning: I-B

of Units: 96 (95 supportive housing; 1 manager unit)

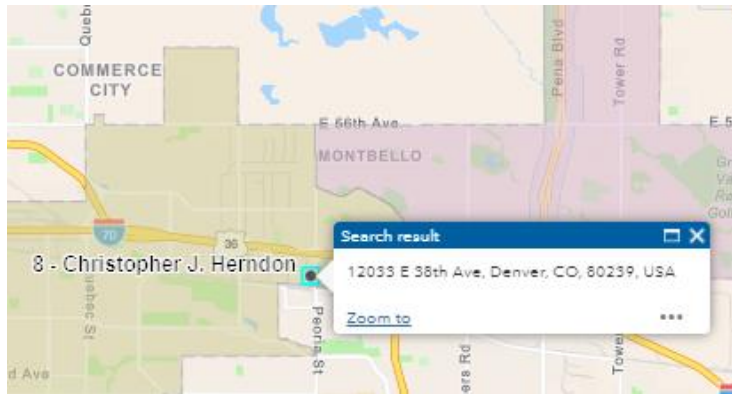
Stories: 4 story walk-up with elevator



Property Location

Located south of I-70 on the south side of E. 39th Avenue and the west side of N. Peoria Street

City Council District: 8



Proposed Use

- Supportive housing shelter with a total of 96 units (95 supportive housing; 1 manager unit) with the ability to serve various gender groups, couples and pets
- 24/7 occupancy
- Rooms have been recently remodeled to include kitchenettes (sink, hotplate, coffee maker, min-fridge and microwave) in all rooms but 5, fire sprinklers and notification system, on-site laundry, pet relief area and parking
- Property will be operated by service provider per a separate RFP process and agreement. Service provider will be required to build out a community space in the former pool area to be used as community room to provide supportive housing services to people on-site.



Purchase and Sale Agreement Terms

- Bill: 22-1632
- Contract Control #: FINAN-202264437
- Seller: IH HOLDINGS SIXTEEN LLC
- Contract Type: Acquisition
- Asset: Hotel – Known as Stay Inn - Owner was in process of converting into a Travelodge Hotel. Currently unoccupied.
- Purchase Price: \$9,000,000
- Proposed closing date: First quarter of 2023
- Funding Sources: CDBG-CV, CDBG, ARPA and HUD EDI Community Project Funding Grant

HOST Companion Agreement

The HUD EDI Community Project Funding Grant for this acquisition was championed by the Colorado Congressional Delegation under Congressperson Diana DeGette.

- City Council approved Resolution # CR22-1368 on Nov. 14, 2022
- Contract Control # HOST-202265081
- Amount: \$2,000,000
- Use: Funds will be used towards the acquisition of this property and the two adjacent parcels.
- Deadlines: The funds must be obligated September 30, 2025, and expire September 30, 2030

Benefits of the Transaction

- Prioritizes our citywide commitment to housing needs of in our community
- Provides a resource center to serve multiple needs for those housed on-site
- Supports the City's plan to help provide additional support as outlined in the 3-year strategy
- Increases the number of units available by 95 units (95 supportive housing; 1 manager unit)
- Creates greater capacity within an integrated sheltering and rehousing system

Supportive Housing Services

Intensive case management services must be available to residents of supportive housing units, including the following services:

- Access to a multidisciplinary treatment team, including nursing care, case management, peer support, individual therapy and group therapy, and psychiatry/medication support.
- Housing stabilization: Contractor (to be chosen through RFP process) must provide assistance in healing from trauma, addiction, mental health issues and homelessness through assessment, treatment planning, benefit acquisition, care coordination, and crisis response. These interventions will support long-term housing stability.
- Linkage to community supports: Contractor (to be chosen through RFP process) must work to develop community supports through engagement, socialization, life skills, peer activities, and vocational programming.

Supportive Housing Requirements

- Providers must have a budget of at least \$7,200 per unit per year exclusive of operating expenses.
- Services must provide for at least one staff person for every 15 supportive housing units. Staff must have the relevant education and experience needed to implement Supportive Services, as determined by the State of Colorado Office of Homeless Initiatives.
- Supportive Services must be offered on a volunteer basis to tenants of supportive housing units. In addition, services are expected to be implemented in a manner reliant on current best practice models, including Housing First, Harm Reduction and Trauma-Informed Care.

Future Actions

- There will likely be a request to HOST from the future service provider/contractor for gap financing which will likely require City Council approval.
- There will likely be a contract with a supportive housing service provider per a separate RFP process.

Requested Council Action

22-1632: The Division of Real Estate requests City Council approval of a Purchase and Sale Agreement with IH HOLDINGS SIXTEEN LLC for the acquisition of the property located at 12033 E. 38th Avenue and two adjacent parcels located at 3835 & 3805 Peoria Street (commonly known as Stay Inn) for \$9,000,000.