
Proposed Dispositions

716 S. Poplar Street & 793 N. Olive Street
Denver, Colorado

Finance and Governance Committee, July 28, 2020

Bill # 20-0255

Background

716 S. Poplar Street & 793 N. Olive Street

In 1981, a class action lawsuit was filed against the State of Colorado Dept. of Institutions and the City and County of Denver Department of Health & Hospitals by a group of persons with chronic mental illness residing in northwest Denver.

- The lawsuit, known as the Goebel case in reference to one of the parties (Ruth Ann Goebel), challenged the adequacy of the mental health care provided to them by the State and City.
- Ruth Ann Goebel, a Denver woman experiencing homelessness and schizophrenia, died in the elements in 1983 following struggles to get treatment.
- The case was settled in 1994 after years of litigation.

The Goebel settlement agreement required the city to invest in group homes for residents with chronic mental illness. The settlement required:

- The City and County of Denver to provide a specified number of housing units (250) for a defined period (20 years) through a variety of methods
 - Each of the two properties that are the subject of this proposed transaction were acquired in 1998 pursuant to terms of the 1994 settlement

Background

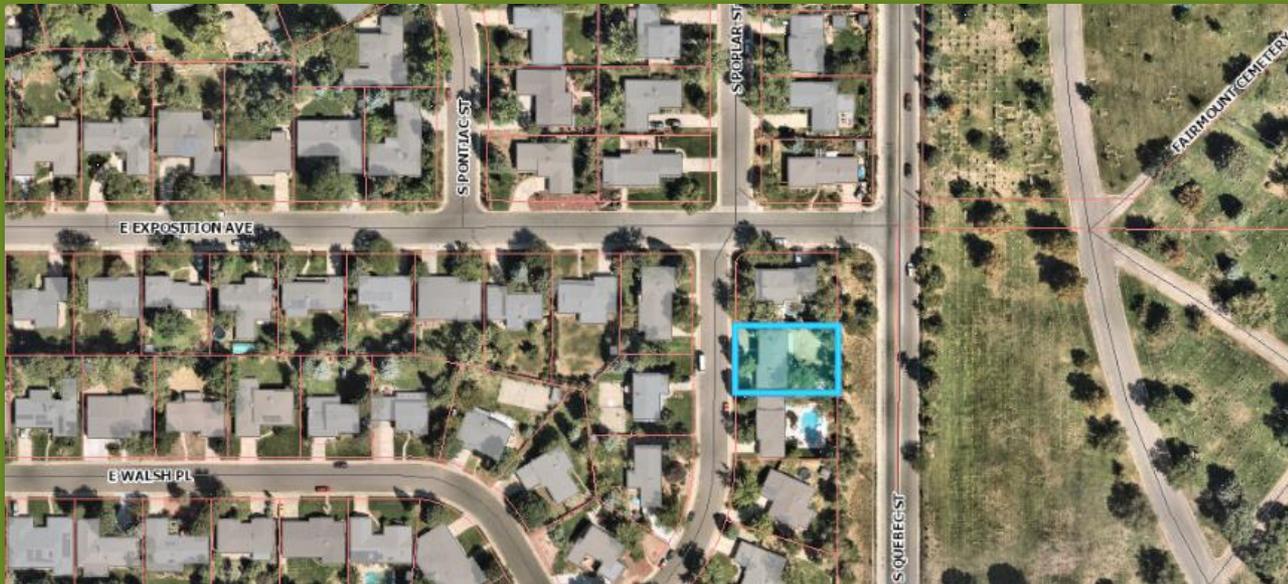
716 S. Poplar Street & 793 N. Olive Street

- Both residences being transacted were acquired by the city in partnership with DURA and were later conveyed to the REDI Corporation for \$1 in 1999. The REDI Corporation owned these properties as group homes for residents with chronic mental illness. Through a master lease, the Mental Health Centers of Denver (MHCD) operated the homes and served residents until 2016 when the master lease was cancelled. Per the terms of the recorded covenant, the properties were re-conveyed to the city.
- The City has satisfied the settlement agreement but continues to recognize the value of affordable housing and supportive services for Denver's most vulnerable populations. The proposed transactions aim to support these efforts.

Property Location

716 S. Poplar Street

Near the southwest corner of E. Exposition Ave. and S. Quebec St.
City Council District: 6



Property Overview

716 S. Poplar Street

Asset: Two-story residential

Bedrooms: 3

Bathrooms: 2 full and 1 half bath

Proposed use: Residential care use – small; for residents with developmental disabilities

Building size: Approximately 2,268 square feet

Land size: Approximately 0.22 acres (9,600 square feet)

Zoning: S-SU-F - Suburban, single unit - F

Property Location

793 N. Olive Street

Southwest corner of E. 8th Avenue and N. Olive Street
City Council District: 5



Property Overview

793 N. Olive Street

Asset: Two-story residential

Bedrooms: 4

Bathrooms: 3 full

Proposed use: Residential care use – small; for residents with developmental disabilities

Building size: Approximately 2,046 square feet

Land size: Approximately 0.15 acres (6,500 square feet)

Zoning: E-SU-DX - Urban edge, single unit - DX

Proposed Use

716 S. Poplar Street & 793 N. Olive Street

HOST has worked to find a partner who can continue to operate these homes in a similar manner to the original covenant, serving residents with chronic barriers to maintaining permanent housing independently.

Selection Process

716 S. Poplar Street & 793 N. Olive Street

- HOST contacted a number of non-profit organizations to assess interest and ability to partner with the City and oversee both residences. Due to the specific requirements of the use and services of the residences, an RFP was not issued and Cottonwood Community Alternatives, Inc. (CCA) was identified as the optimal partner.
- CCA is a Colorado non-profit corporation and began operating the residential care facilities in 2018.
- CCA will provide additional housing options to those with physical and developmental disabilities by renovating both properties in order to provide community-based support and services to these individuals.

Cottonwood Community Alternatives

Company Overview

Cottonwood Community Alternatives, Inc., a Colorado non-profit corporation (“CCA”) was established to provide a broad spectrum of services to Colorado Citizen’s with intellectual and/or developmental disabilities.

CCA was founded in 1991 and serves over 150 individuals in various programs, which consist of residential services, including staffed homes, family care giver, apartments, and host home settings. In addition, they have base site day program services and community access activities, supported living services, and support for individuals who are employed. All services are provided to individuals through Medicaid waiver programs or on a private pay basis.

<http://www.cottonwoodcommunityalternatives.org/coprofile.html>

Community Need For Services

716 S. Poplar Street & 793 N. Olive Street



The City is moving towards finding better opportunities for those with developmental disabilities.

CCA's mission is to provide a variety of community-based supports and services to these individuals, empowering them to live as independently and productively as possible while promoting individual choice, dignity, and quality of life. They do this by offering residential, day program, supported living, transportation, and employment services.

Community Engagement

716 S. Poplar Street & 793 N. Olive Street

- Meeting with Winston Downs RNO on Poplar property on May 21, 2019
- Meeting with Historic Montclair Neighborhood Association board on May 15, 2019
- Meeting with Historic Montclair Neighborhood Association on July 9, 2019 (we delivered invitations door-to-door in advance)
- Meeting with neighbors of Poplar property – June 27, 2019
- Zoning permit public processes:
 - Start: September 9, 2019
 - End: October 6, 2019 (we posted signs on each property)

Proposed Dispositions

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The Division of Real Estate, on behalf of HOST, proposes to sell 716 S. Poplar Street & 793 N. Olive Street to CCA for the amount of \$10.00.

The City and County will impose a 99-year deed restriction on the property. No less than six (6) private residential rooms shall be available for rent to those earning no greater than 30% of AMI (“Residential Rooms”), and there shall be two (2) private rooms available for occupancy by onsite managers (“Manager Rooms”).

CCA has provided to HOST a two (2) year maintenance and operation plan for the properties.

Benefits of the Transaction

716 S. Poplar Street & 793 N. Olive Street

- 1) Sale of city owned property to support affordable housing; each property will house one (1) staff person and three (3) residents.
- 2) Provides housing that is affordable at below 30% AMI, aligning with the Housing an Inclusive Denver plan to serve those who are at the lowest income levels
- 3) Serves residents with physical and developmental disabilities through an experienced partner that will also provide supportive services

Request

716 S. Poplar Street & 793 N. Olive Street

For the foregoing reasons, Real Estate and HOST request executing a Purchase and Sale Agreement to sell 716 S. Poplar Street and 793 Olive Street for a total of \$10 to Cottonwood Community Alternatives. This step is critical for HOST to implement their vision for these properties and serve as a resource to support and provide greatly needed community services.