

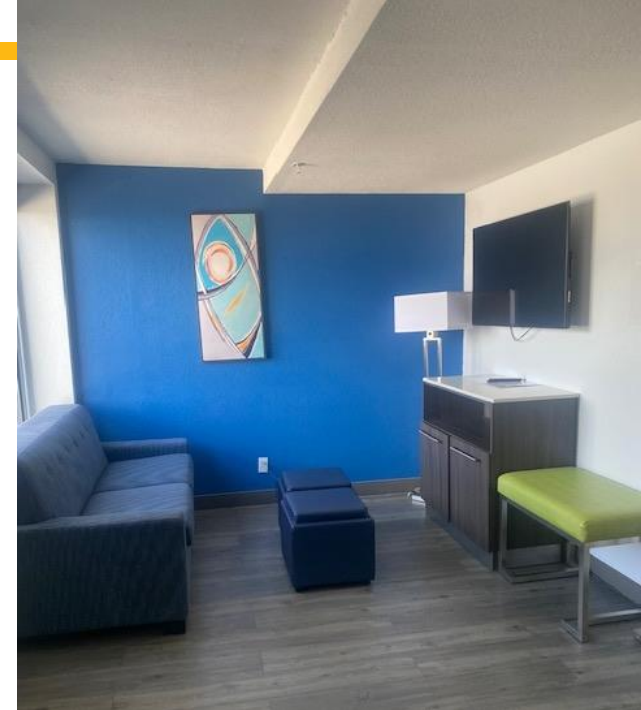
Funding agreement to the Housing Authority of the City and County of Denver, Colorado to finance the acquisition of Best Western Central Park Hotel

(4595 Quebec Street, Denver, CO 80022)

Safety, Housing, Education, & Homelessness Committee
September 13, 2023

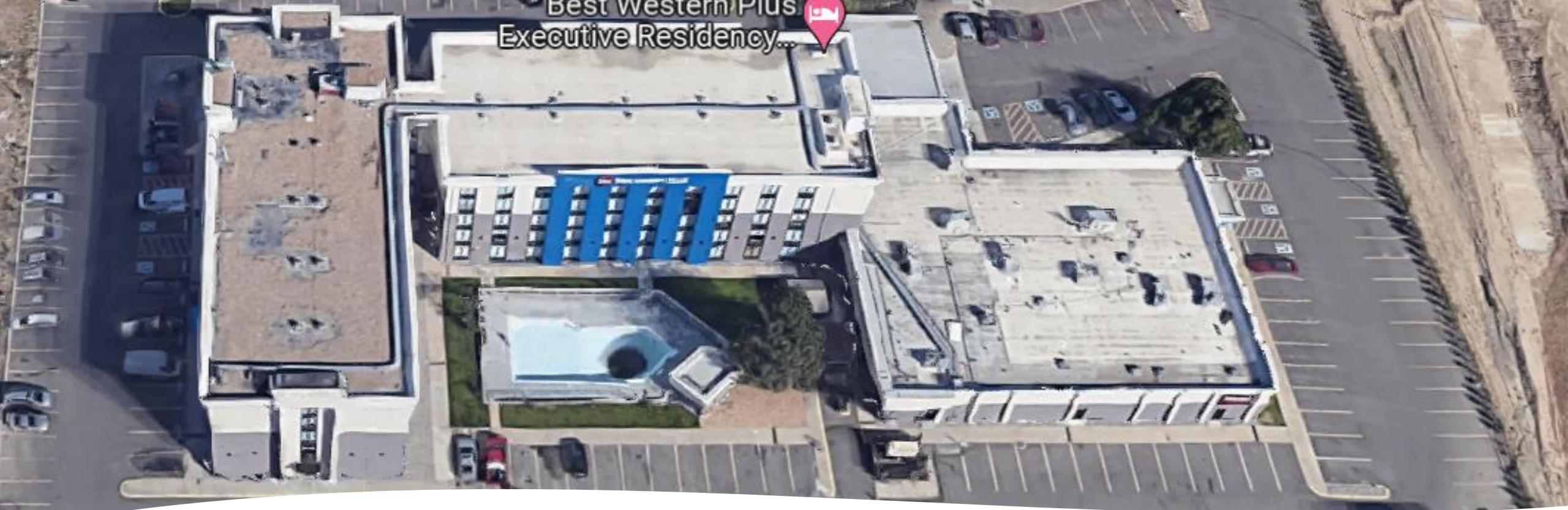
Megan Yonke, Capital Projects Director
Department of Housing Stability





Best Western Central Park Hotel

- The Housing Authority of the City and County of Denver, Colorado (the “Grantee”), is requesting funds in the amount of **\$15,700,000** to finance the **repayment of acquisition bridge financing** on a 194-unit hotel, referred to as the “Best Western” located in Council District 8.



Purpose

- The Denver Housing Authority (DHA) board of directors on July 27 decided to purchase the **194-unit** Best Western Central Park hotel located at 4595 Quebec St. to be converted to **permanent supportive housing**.
- HOST will contract with The Salvation Army to **provide non-congregate shelter with supportive services** until the site is ready for conversion to supportive housing in approximately 3 years.
- This acquisition is associated with the Denver Housing Authority (DHA) Delivers for Denver (D3) program.



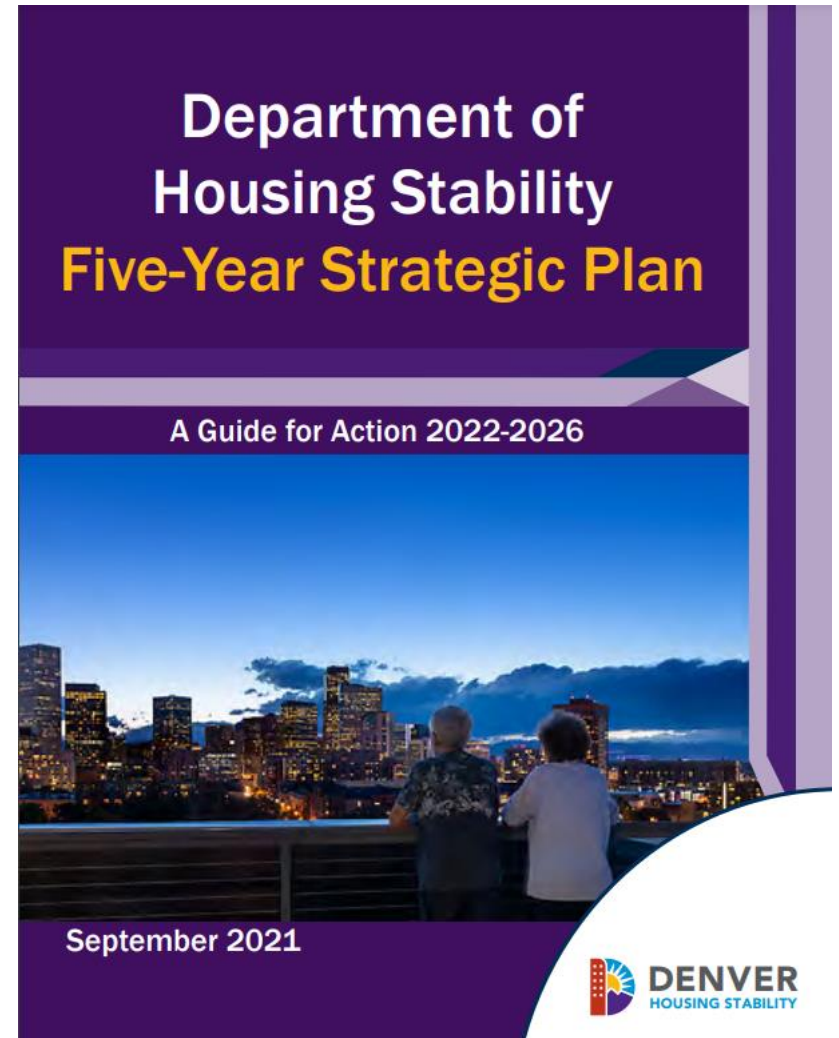
Purpose (cont.)

- The non-congregate shelter that will be provided will immediately offer space for Denver residents experiencing homelessness as part of the City's encampment resolution strategy.
- Most of the units already have kitchenettes, making the space ideal for conversion to supportive housing. There are also communal kitchen and conference spaces.
- We know that supportive housing (through a housing-first approach) is the gold-standard, evidence-based housing solution that consistently demonstrates its ability to end chronic homelessness.



Five Year Strategic Plan

HOST's 5-year strategic plan, approved by City Council, identifies the **strategic acquisition of hotels** and/or commercial properties for conversion/redevelopment into affordable housing and supportive housing as a critical tool to provide housing stability, resolve episodes of homelessness, and create and preserve affordable housing.



Denver Housing Authority

Contract Term	This is a 99-year covenant
Funding Source	American Rescue Plan Act
Contract Amount	\$15,700,000

- This is a 99-year covenant beginning Oct. 1, 2023 and ending Sept. 30, 2122.
- The property will be purchased for \$25.95 million using approximately \$10 million from the 2018 DHA Delivers for Denver (D3) bond funds made possible through an agreement with the City of Denver, as well as a bridge loan of around \$15.7 million through Northern Trust to be repaid through this grant pending City Council approval.

Upon conversion to supportive housing, the units will be rented at prices affordable to qualifying households as outlined below:

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	80%*	Total Units
Studio	78			116		194
Total	78	0	0	116	0	194
% of Total	40.2%	0.0%	0.0%	59.8%	0.0%	100.0%

Action Requested Today

Approval of the following:

- #23-1199 - Approves funding agreement to the Housing Authority of the City and County of Denver, Colorado in the amount of \$15,700,000 to finance the acquisition of Best Western hotel (4595 Quebec Street, Denver, CO 80022).

Questions?