

Goebel Briefing

Government & Finance Committee

June 13, 2012



GROWDENVER
The Office of Economic Development



Goebel Lawsuit

- **State of Colorado and City of Denver sued in 1981**
 - Class action lawsuit for failure to provide housing and mental health services
- **Goebel Settlement reached in 1983**
 - Denver to provide 250 housing units for populations with serious and persistent mental illness (SPMI)
 - State to provide support services for SPMI population
 - Term of settlement: 1983-2003



OED Special Needs Housing

- **OED Mission: Address the housing and service needs for SPMI populations**
 - Preserve the 250 units made available by the Goebel settlement
- **Extensive non-profit partnerships**
 - Work with over a dozen non-profit housing and service providers to assist SPMI populations
- **\$7M investment in the Goebel Settlement**
 - Does not include OED's investments in projects with "co-occurring circumstances"
 - Colorado Coalition for the Homeless (Homeless)
 - FUSE (Formerly Incarcerated)
 - KARIS (SPMI)
 - Veterans Housing



Goebel Properties: 2785 Pierce & 3429 Shoshone

- **Del Norte owner of 2785 Pierce & 3429 Shoshone**
 - Pierce St. (4 units) & Shoshone (10 units)
- **2010 OED discovers Pierce St. property listed for sale**
 - OED contacts Del Norte, learns:
 - Master lease contract with property owner for 4 properties including Pierce St. are not renewed, property vacant
 - Del Norte wishes to be released of the Goebel restrictions for 2785 Pierce and 3429 Shoshone
 - OED denies waiver , presents Del Norte with two options for the properties:
 - Find partner to administer the property consistent with the Goebel settlement
 - Return properties to the City
- **Properties quit claimed to City 2/15/2011**



Property Disposition

- **OED & Mental Health Center of Denver (MHCD) work to find best use of properties**
 - Sale or use of properties must benefit SPMI populations
 - Special attention to housing best practices and administrative efficiencies
 - Apartments vs. Group Homes

- **Decision made to sell both properties**
 - Proceeds of the sale go to the City's Housing for the Mentally Ill (MHI) Fund
 - Funds directed to a acquisition/rehab or new construction of SPMI housing facility
 - Currently identifying suitable properties

- **Council Action**
 - Consideration of the sale of the Pierce property today, and the Shoshone property at a later date