

Background Summary for Transfers Associated with the Sale of 1701 S. Platte

In April of 2018, the City and County of Denver came to City Council for permission to sell 1701 s. Platte, a city owned parking lot, for a total of \$13.5M. At that time, it was determined that the revenues from the sale be directed to key priorities in the City--housing stability and mobility. This included:

- \$6.750 Million allocated to the Affordable Housing Fund for affordable housing unit development, preservation, and programming.
- \$3.823 Million allocated to the Capital Improvement Plan for strategic shelter facilities.
- \$2.927 Million allocated to the Capital Improvement Plan for bike and pedestrian infrastructure.

The property was sold in February of 2019. Per City policy, cash from the sale of the property was deposited into the Capital Improvement Fund.

In April of 2019, the Mayor's Office announced that the City and County of Denver would be partnering with external donors to fund programming and capital improvements for day shelter use. A portion of the capital funds identified for strategic shelter facilities would support the capital components of the RFP associated with day shelter programming.

The total scope of this program is \$10.7 Million over three years, of which \$7.5 Million is for supportive services, and another \$3.2 Million to support capital improvements at non-City owned shelters to accommodate for day shelter services. These costs include additional construction and building configurations more conducive to day use.

To ensure that funds are allocated correctly to ensure services can be provided, two financial transactions are necessary.

1. Transfer to the Affordable Housing Fund: This transfer reallocates \$6.75 Million from the Capital Improvement Fund into the Affordable Housing Fund. Funds will be used for affordable housing unit development, preservation, and programming. While not directly connected to day shelter services, this transaction is a part of the sale of 1701 s. Platte and should be carried out to ensure appropriated funds have the cash to spend against.
2. Transfer to the Homeless Services Fund: A transfer of \$3.2 Million of strategic shelter facilities funding from the proceeds of 1701 s. Platte sale will be reallocated from the Capital Improvement Fund into the DHS Homeless Service Fund to support capital components of the day shelter program listed above.

The remaining proceeds from the 1701 s. Platte Sale remain in the CIP to fund bike and pedestrian infrastructure and City lead capital improvements for strategic shelter facilities.

Not supported by revenues from the 1701 s. Platte sale, but to complete the funding for the RFP associated with day shelter programming, an additional \$3 Million will be required over the next three years. This will fulfill \$3 Million of the \$7.5 Million needed to support operating costs of this program. The remaining \$4.5 Million of these costs will be supported by external donors. In 2019, the first year of operating will be funded through a supplemental appropriation from General Fund contingency. Appropriations for 2020 and 2021 will be part of the annual budget process.

City staff will be on hand to answer additional questions regarding this financial transaction.