

Legacy Lofts



Safety, Housing, Education, & Homelessness Committee

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Megan Yonke, Housing Development Officer

Department of Housing Stability



DENVER
HOUSING STABILITY

Legacy Lofts Project

- Nine-story building comprises three condominiumized segments in one building
 - 1) 9% low-income housing tax credits (LIHTC) – performance loan for \$2,202,899 (64 units)
 - 2) 4% LIHTC – performance loan for \$1,100,000 (34 units)
 - 3) Recuperative Care Center – grant for \$797,101
- Two services contracts that support formerly homeless residents to maintain housing

RESOLUTIONS 20-1420 (9% LIHTC) AND 20-1419 (4% LIHTC) SUMMARY

- Provides two performance loans to Colorado Coalition for the Homeless (CCH) to develop a total of 98 units
- Performance loans forgiven after 60 years of affordable housing performance compliance
- All units affordable 30%-60% AMI
- City covenant recorded on the leasehold (DHA lease) for 60 years
- Project utilizes Denver Housing Authority (DHA) Delivers for Denver (D3) Bond funds

UNIT MIX FOR LEGACY LOFTS

9% LIHTC

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI
Studio	5	2	2	2
One-bedroom	23	11	10	9
Total	28	13	12	11
% of Total	44%	20%	19%	17%

Context: 30% AMI for a single-person household is \$21,000, two-person household is \$24,000

4% LIHTC

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI
Studio	2	1	2	1
One-bedroom	12	6	6	4
Total	14	7	8	5
% of Total	41.2%	20.6%	23.5%	14.7%

Context: 30% AMI for a single-person household is \$21,000, two-person household is \$24,000



PROJECT DETAILS – 9% LIHTC

Sources	Total	%
Permanent Mortgage	\$3,000,000	15.4%
LIHTC Equity – 9%	\$12,825,000	65.6%
City of Denver	\$2,202,899	11.3%
DHA Delivers for Denver D3	\$395,960	2.0%
Deferred Developer Fee	\$364,745	1.9%
FHLB AHP	\$750,000	3.8%
Total	\$19,538,604	100.0%

- Located at California St. and 21st St. in the Five Points neighborhood
- In addition to City funds, borrower will leverage private debt, D3 funds, LIHTC equity, Federal Home Loan Bank funds, and deferred developer fee
- Overall total development cost is \$19.5 million, or \$305,291 per unit
- 64 vouchers will be provided in partnership by the Denver Housing Authority and State Division of Housing

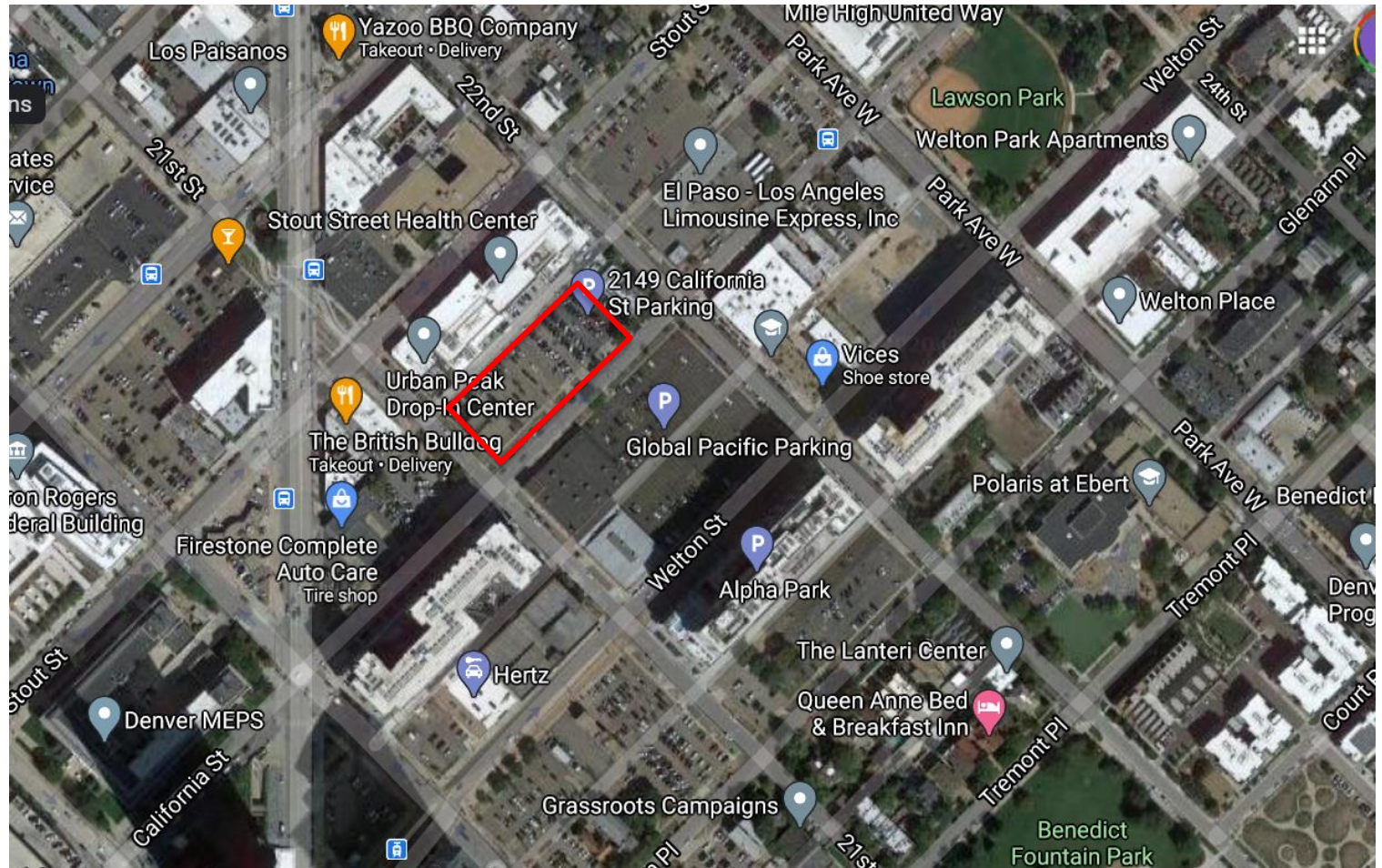
PROJECT DETAILS – 4% LIHTC

Sources	Total	%
Permanent Mortgage	\$1,500,000	13.9%
LIHTC Equity – 4%	\$3,788,676	35.2%
City of Denver	\$1,100,000	10.2%
CDOH	\$1,100,000	10.2%
Deferred Developer Fee	\$200,000	1.9%
DHA Delivers for Denver D3	\$2,117,141	19.7%
FHLB AHP	\$750,000	7.0%
Owner equity	\$204,209	1.9%
Total	\$10,760,026	100.0%

- Located at California St. and 21st St. in the Five Points neighborhood
- In addition to City funds, borrower will leverage private debt, D3 funds, LIHTC equity, CDOH, Federal Home Loan Bank funds, and deferred developer fee
- Overall total development cost is \$10.7 million, or \$316,471 per unit
- 34 vouchers will be provided in partnership by the Denver Housing Authority and State Division of Housing

PROJECT CONTEXT

- California St. and 21st St. in the Five Points neighborhood and Council District 9
- Two blocks from RTD light rail L line station and 44 bus stop
- Quarter-mile to Lawson Park and Benedict Fountain Park
- Adjacent to Stout Street Health Center



Legacy Lofts RECUPERATIVE CARE CENTER



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RESOLUTION 20-1421 SUMMARY

- Provides \$797,101 grant to Colorado Coalition for the Homeless (CCH) to fund soft costs for the development of a recuperative care center
- Provides medical services (75 beds) to individuals experiencing homelessness and transitioning from local hospitals/clinics
- To operate as a recuperative care center for at least seven years
- No covenant or deed of trust, but loan is recourse to CCH to ensure performance
- Utilizes New Markets Tax Credits (NMTC)
- Project utilizes Denver Housing Authority (DHA) Delivers for Denver (D3) Bond funds

PROJECT DETAILS – Recuperative Care Center

Sources	Total	%
NMTC proceeds	\$5,400,000	31.0%
CDOH	\$2,000,000	11.5%
DHA D3	\$2,486,899	14.3%
Foundations	\$3,842,650	22.0%
Bridge-related funding	\$1,000,000	5.7%
Owner equity	\$1,731,598	9.9%
Deferred developer fee	\$176,650	1.0%
City of Denver - CDBG	\$797,101	4.6%
Total	\$17,434,898	100.0%

- In addition to City funds, borrower will leverage New Market Tax Credits, D3 funds, CDOH, foundations, bridge funding, and deferred developer fee
- Overall total development cost is \$17.4 million

Legacy Lofts SUPPORTIVE SERVICES



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SUMMARY OF FUTURE CONTRACTS

- Provides two services contracts to Colorado Coalition for the Homeless (CCH) to provide supportive services to residents of 98 units at Legacy Lofts for 15 years
- Services contract for 9% LIHTC: \$489,796 (64 residents); services contract for 4% LIHTC: \$260,204 (36 residents) (\$510 per unit per year)
- CCH can draw up to 1/15 of the funds each year, and undrawn funds in subsequent years.
- CCH may draw in advance of expenses, rather than on a reimbursement basis.

SUPPORTIVE SERVICES REQUIREMENTS

- Intensive case management services must be available to residents of Supportive Housing Units, including the following services:
 1. **Access to a multidisciplinary treatment team, including:** Nursing care, case management, peer support, individual therapy and group therapy, and psychiatry/medication support.
 2. **Housing stabilization:** Contractor 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.
 3. **Linkage to community supports:** Contractor must work to develop community supports through engagement, socialization, life skills, peer activities, and vocational programming.

SUPPORTIVE SERVICES REQUIREMENTS continued

- 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 (“OHI”).
- 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.

TENANT REFERRALS

- 50% of referrals will originate from the OneHome Coordinated Entry System

SUPPORTIVE SERVICES SOURCES (FIRST FIVE YEARS)

7C1 Forecast of Services Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Annual inflation factor of 3%	\$875,068	\$901,320	\$928,360	\$956,210	\$984,897

7C2 Forecast of Services Sources					
Funder/Source	Year 1	Year 2	Year 3	Year 4	Year 5
CCH Fundraising	\$ 142,868	\$ 155,446	\$ 168,401	\$ 181,745	\$ 146,490
Medicaid	\$ 250,000	\$ 257,500	\$ 265,225	\$ 273,182	\$ 281,377
Excess Cash Flow	\$ -	\$ -	\$ -	\$ 40,228	\$ 63,423
Developer Fee	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
CDOH TTS Funding	\$ 176,400	\$ 176,400	\$ 176,400	\$ 176,400	\$ 176,400
SSHC In-Kind	\$ 205,800	\$ 211,974	\$ 218,333	\$ 224,883	\$ 231,630
Denver HOST SS FUND	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Total Annual Sources Forecast	\$ 875,068	\$ 901,320	\$ 928,360	\$ 996,439	\$ 999,320
Surplus/Deficit by Year	\$ -	\$ -	\$ 0	\$ (40,228)	\$ (14,423)

- Supportive services budget in year one is \$8,929 per unit and increases by 3% per year
- Services budget includes 1:10 staff to resident ratio
- Services budget includes 24-hour front desk support

Action Requested Today

- 20-1420 – Colorado Coalition for the Homeless
\$2,202,899 performance loan (64 units), supporting the 9% LIHTC Legacy Lofts project
- 20-1419 – Colorado Coalition for the Homeless
\$1,100,000 performance loan (34 units), supporting the 4% LIHTC Legacy Lofts project
- 20-1421 – Colorado Coalition for the Homeless
\$797,101 CDBG grant, supporting the Recuperative Care Center at Legacy Lofts

APPENDIX



SUPPORTIVE SERVICES

PROCESS AND OUTCOME MEASURES (1) - INCOME

Income Acquisition Benchmarks:

For Current Participants.

- 80% of Current Participants must increase or maintain income (earned and unearned) and non-cash benefits. Income includes, but is not limited to, mainstream financial benefits (i.e. SSI, SSDI, TANF, AND), income from employment, and non-cash benefits such as SNAP.
- This will be measured as the percentage of households who increase or maintain total income from program entry to most recent assessment.

For Exiting Participants.

- 80% of Exiting Participants must have increased or maintained income (earned and unearned) and non-cash benefits. Income includes, but is not limited to, mainstream financial benefits (i.e. SSI, SSDI, TANF, AND), income from employment, and non-cash benefits such as SNAP.
- This will be measured as the percentage of Exiting Participants who increase total income from program entry to program exit.

SUPPORTIVE SERVICES

PROCESS AND OUTCOME MEASURES (2) – PERMANENT HOUSING

Program Retention and Housing Attainment Benchmarks:

For Current Participants.

- Average and median length of Program Enrollment Period, measured in terms of days.
- Number and percentage of Current Participants enrolled in the program for: less than 3 months, 3 to 12 months, and longer than 12 months.

For Exiting Participants.

- 70% of Exiting Participants must exit the program into a Permanent Housing outcome.
- Number and percent of Exiting Participants by Destination at Exit. Destinations at Exit are defined as: Permanent Housing, other stable housing outcomes, and outcomes to other locations (e.g., nightly shelter, street, jail, or unknown destinations).
- Length of stay for Exiting Participants

SUPPORTIVE SERVICES

PROCESS AND OUTCOME MEASURES (3) – HOUSEHOLDS SERVED

Households Served and Household Characteristics

- Number of households served each reporting period.
- Number of Exiting Participants within the reporting period.
- AMIs of each assisted household.
- Number and percent of heads of household by race, ethnicity, and income level at entry