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# Urban Peak Mothership

## RISE Denver General Obligation Bond Shelter Project

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December 20, 2022 | Finance and Governance Committee

# Council Action

**22- 1648:** Approves a Funding and Assignment Agreement between the City and County of Denver, Urban Peak Denver and The Peak, Inc., for the construction of a shelter facility comprised of at least 136 beds, totaling an amount not to exceed as approved by voters in the 2021 RISE Denver General Obligation Bond package.

# Background on RISE Denver GO Bond Program

The 2021 RISE Denver General Obligation Bond Program invests \$38.6 million toward housing and shelter, including \$30 million toward shelter Facility Acquisition and Improvements, which is funding the \$16,764,567 million for the Urban Peak Mothership project.

- This resolution request seeks approval for a Funding and Assignment Agreement between the City and County of Denver and Urban Peak for the construction of a shelter facility totaling an amount not to exceed \$16,764,567 in RISE Denver General Obligation Bond proceeds.

# Background on Funding and Assignment Agreements

Requirements for funding included in the Funding and Assignment Agreement include:

- Submission of design plans to City
- Quarterly draw requests with cash flows, budget, and statement of values information
- Inclusion of City requirements for procurement, prevailing wage, public art, and SBE, MBE/WBE in contracts for project
- Final accounting for expenditures on project
- Records retention and audit provisions
- Recording of a covenant against the property to ensure that the project operates as a shelter
- Execution of a shelter operating agreement detailing operating requirements

# Details on the Proposed FAA

The Funding and Assignment Agreement (FFA) provides for bond proceeds to be paid by the City to Urban Peak for costs related to the construction of the shelter facility.

## **Proposed Timing:**

- Agreement shall commence January 2023 and terminate upon the completion of the bond funded project; however, the covenant will have a 60-year term.

## **Proposed Scope of Work:**

- Urban Peak intends to complete the construction of a shelter structure that will include at least twenty (20) congregate shelter beds serving minors, thirty-two (32) congregate shelter beds serving transition-age youth, and eighty-four (84) non-congregate shelter beds serving minors or transition-age youth.



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# Background on Urban Peak Mothership Project



# URBAN PEAK

Founded in 1988, Urban Peak is the only agency in the 7 county Denver metro area offering a complete convergence of services for homeless youth and young adults ages 15-24.



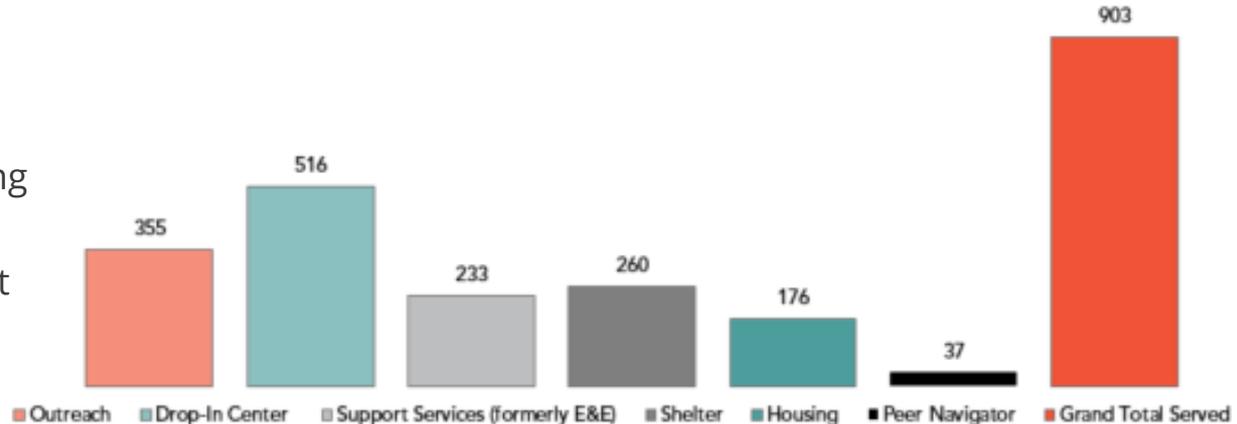


# In FY22 Urban Peak served 903 youth

On average, Urban Peak staff connected with each youth 75 times. 313 individuals were provided safe housing including 176 housed in Urban Peak Housing programs.

- Outreach
- Drop-In Center
- Shelter
- Supportive Housing
- Support Services
- Case Management

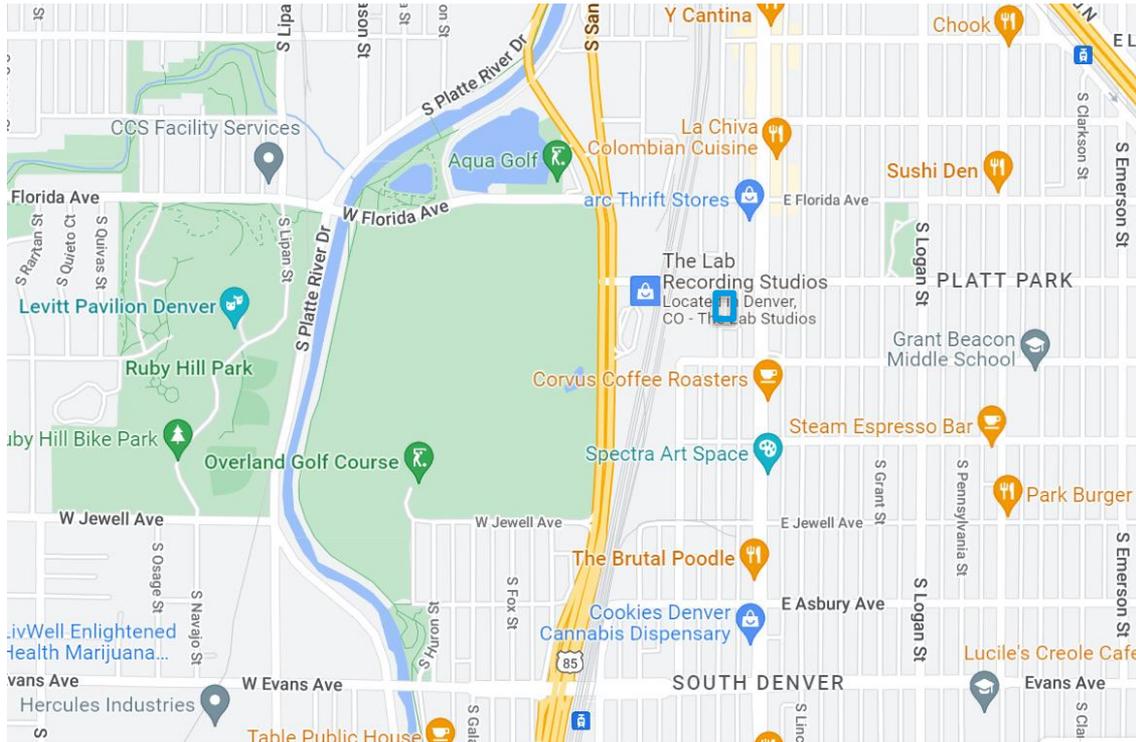
Unduplicated number of youth served by program, 2022



# Growing Need

- According to the Metro Denver Homeless Initiative (MDHI), 954 youth under age 25 accessed services related to experiencing homelessness between July 1, 2020 and June 30, 2021 in the Denver metro area (DMA).
- For individuals experiencing homelessness, Denver's increasing population growth/decreasing affordable housing supply has made it nearly impossible to put a roof over one's head without support.

# The Innovative Mothership



## Timeline

- Financial closing: February 2023
- Construction completion: April 2024
- Occupancy begins: April 2024



# The Innovative Mothership

- For over 34 years Urban Peak has been a **national model of innovation and best practice** serving youth who are experiencing homelessness. As we look to the future, we have re-imagined what it means to break the cycle of homelessness and **transform the lives of the young people** we serve.
- The Mothership **will co-locate shelter, expanding housing (for the first-time offering beds for 21-24-year-olds and expanding support services**– including case management, a medical clinic, on-site mental health services, a commercial kitchen, education & employment services and life skills development-- under a single roof.
- Once the new shelter is built, Urban Peak anticipates a **450% increase in capacity** for providing our comprehensive services.
- This ambitious effort will expand Urban Peak's capacity to provide stabilizing shelter to both minors and young adults, **increasing** from 40 beds to **136 beds** for youth experiencing homelessness.

# Operations

Property will be operated as shelter for a minimum of 20 years and as shelter or housing for an additional 40 years for a total of 60 years, per recorded restrictive covenant.

## **Beds and Staffing Requirements:**

- Operator must provide at the Shelter Facility at least twenty (20) congregate shelter beds serving minors, thirty-two (32) congregate shelter beds serving transition age youth, and eighty-four (84) non-congregate shelter beds serving minors or transition youth.
- Operator must obtain the written approval from the Executive Director of the City's Department of Housing Stability, or any successor agency or department of the City ("HOST"), prior to converting any room or area being used as non-congregate or congregate shelter within the Shelter Facility to another use.
- Operator must have a minimum of three (3) staff members on site and will also assist guests with rehousing. Staff satisfying this requirement may include case managers, housing advocates, or other similar positions.

## **Reporting:**

- Regular Reporting in Homelessness Management Information System.

## **Operating Reserve:**

- Contractor will fund a reserve at the time of release of retainage in the amount of \$5,000,000 in a trust, endowment or other method to be determined by Urban Peak for the purpose of funding shelter operations and minimizing funding gaps during operation of the Project.

# Sources and Uses

## Sources

Total Funding Required	\$	38,618,736.00
First Mortgage	\$	-
CDOH Grant	\$	3,780,000.00
CPF Funds	\$	3,000,000.00
NMTC Equity	\$	10,975,444.74
City of DenverGO Bond	\$	16,764,567.00
GP - Cash Flow Note	\$	-
Deferred	\$	-
Urban Peak Capital Campaign	\$	4,098,724.26

## Uses

Uses	Total Budget
<b>Direct Construction Costs</b>	\$ 30,661,466.00
<b>Indirect Construction Costs</b>	\$ 1,311,750.00
<b>Third Party Reports</b>	\$ 77,450.00
<b>Financing Costs</b>	\$ 984,109.00
<b>Other Costs</b>	\$ 5,583,961.00
<b>Total</b>	\$ 38,618,736.00

# Council Action Requested

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# Questions



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# Appendix



URBAN PEAK

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## The Mothership



## vision

All Colorado youth have **safe housing, supportive relationships** and the opportunity for **self-sufficiency and success**.

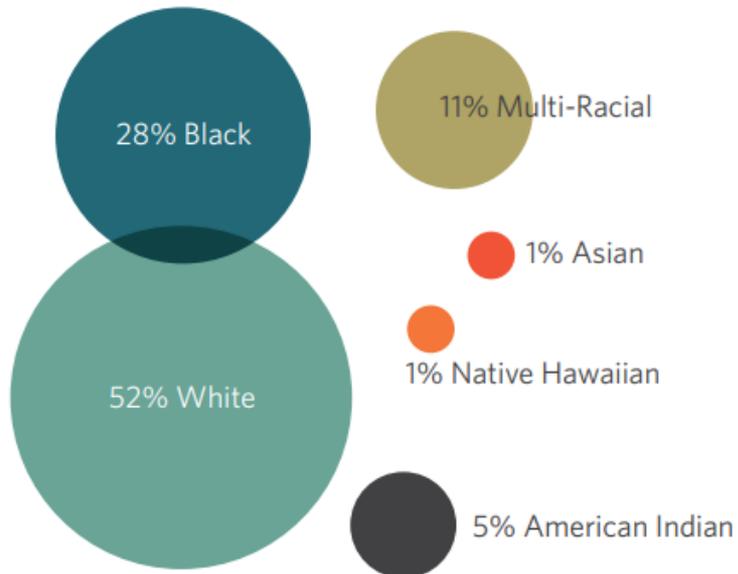
## mission

Urban Peak ignites the potential in youth to **exit homelessness** and create self-determined, fulfilled lives.

# FY22 YOUTH DEMOGRAPHICS



## YOUTH RACE



## SELF-REPORTED BARRIERS



# Community Support



Denver City Council unanimously approved a zoning change in 2019 to I-MX-5 for Urban Peak's current shelter location to build a new, centralized campus, affectionately called "The Mothership".

Urban Peak also has support from many organizations and individuals in the city including the Business Advisory Committee, Denver Public Library, District 3 Police Department, and members of the City Council. The Mothership is also supported by committed funding partners including the Denver Department of Housing Stability (HOST), the U.S. Department of Housing and Urban Development (HUD), and the U.S. Department of Health and Human Services.



The dignified, **trauma-informed design** will infuse best practices into how youth are **nurtured, supported, and housed**, so that they may live self-determined and fulfilled lives.

This ambitious effort will expand Urban Peak's capacity to provide stabilizing shelter to both minors and young adults, **increasing** from 40 beds to **136 beds** for youth experiencing homelessness.





