2700 Wewatta Loan Agreement (RR22-1484)
&
Supportive Services (RR22-1483)

Safety, Housing, Education, & Homelessness Committee

November 16, 2022

Jennifer Balkcom, Housing Development Director

Department of Housing Stability

DENVER
HOUSING STABILITY

2700 Wewatta

Loan Agreement

Safety, Housing, Education, & Homelessness Committee

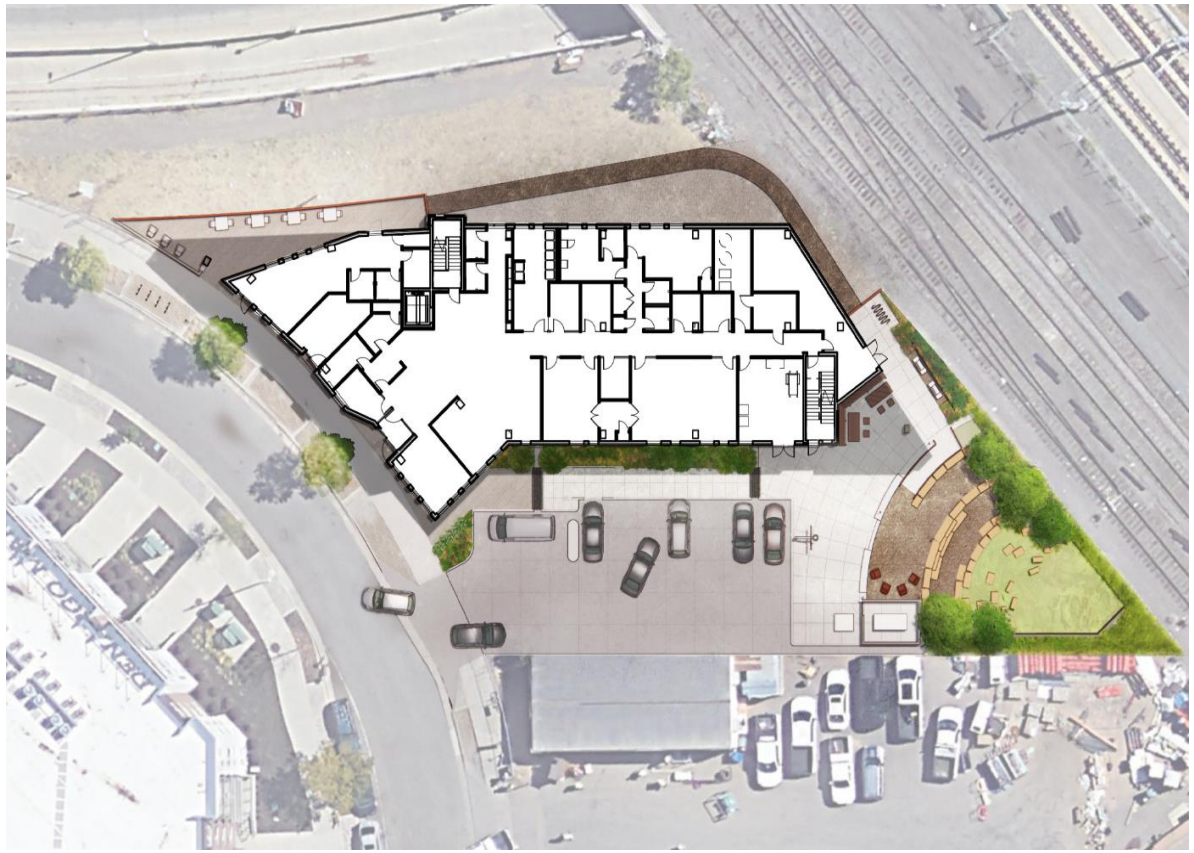
November 16, 2022

Jennifer Balkcom, Housing Development Director

Department of Housing Stability

Purpose

- Provides a $3,000,000 performance loan to Pennrose, LLC, to develop a total of 56 units
- The property will house youth (ages 18-24) who are transitioning out of homelessness or at risk of homelessness
- All units are deed restricted to 30% or 50% AMI
- In combination with 56 vouchers from the State Division of Housing, units will serve those from 0-50% of AMI who will pay no more than 30% of their actual income for rent



2700 Wewatta

Part of the larger Denargo Market development near Broadway and 28th St

- This project and Rivet Development were selected through an RFP in Q1-Q2 2021 to meet the affordable housing requirements per the development agreement for Denargo Market
- HOST will provide supportive services funding to support formerly homeless youth to maintain housing (RR22-1483)

Five-story building will include:

- 56 units including 52- 1BR and 4- 2BR units
- Half the units affordable at or below 30% of AMI
- Half the units affordable at or below 50% of AMI

2700 Wewatta Loan Agreement

Covenant Term	60 years from closing
Funding Source	Homelessness Resolution Fund
Contract Amount	$3,000,000

- Overall total development cost is $28.3M, or $442,513 per unit without land cost
- HOST is recommending a $3,000,000 performance loan in development gap financing for the site

Financing Structure

- The project received a 4% + state LIHTC allocation in 2021
- A 60-year covenant will be placed on the site
- The loan is forgivable after 60 years if the property remains in compliance
- 56 vouchers will be provided in partnership by the state Division of Housing
- In addition to City funds, borrower will leverage private debt, CHFA loan and grant, LIHTC equity, state Division of Housing funds, and deferred developer fee

2700 Wewatta

Supportive Services

Safety, Housing, Education, & Homelessness Committee

November 16, 2022

Jennifer Balkcom, Housing Development Director

Department of Housing Stability

Purpose

- Provides a $1,260,000 supportive services contract to Pennrose, LLC to provide supportive services to residents of 56 units at 2700 Wewatta for 15 years
- Includes $225,000 in partnership with CCD Department of Human Services to support 10 DHS clients aging out of foster care
- Pennrose, LLC can draw up to 1/15 of the funds each year, and undrawn funds in subsequent years.
- Pennrose, LLC may draw in advance of expenses, rather than on a reimbursement basis

2700 Wewatta Supportive Services

Contract Term	Jan. 1, 2024 – Dec. 31, 2039
Funding Source	Homelessness Resolution Fund
Contract Amount	$1,260,000

Scope of Work

- Attention Homes dba TGTHR, along with Pennrose and Rivet Development, will deliver supportive services for 56 eligible participants.
- TGTHR will provide supportive services to eligible participants to assist such individuals or households with maintaining housing.

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

Action Requested Today

Approval of the following:

- 22-1484– Pennrose, LLC
  $3,000,000 performance loan (56 units), supporting the 4% + state LIHTC 2700 Wewatta project

- 22-1483– Pennrose, LLC
  $1,260,000 supportive services grant, supporting the 2700 Wewatta project

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