

Executive Summary

Emergency Occupancy Agreement - Amendment #2 | MHF Denver Manager V LLC, as agent for MHF Denver Operating V LLC d/b/a Hampton Inn & Suites Denver-Downtown

Department of Finance | Division of Real Estate

December 21, 2020

City Council Request

Approval of the second amendment to the Emergency Occupancy Agreement by and between the City and County of Denver and d MHF Denver Manager V LLC, as agent for MHF Denver Operating V LLC d/b/a Hampton Inn & Suites Denver-Downtown

Background

- The Division of Real Estate, on behalf of HOST, previously submitted an Emergency Occupancy Agreement (FINAN-202054346-00) to support housing needs for those experiencing homelessness by providing additional shelter space located at 1845 Sherman Street, Denver, Colorado 80203. There is an increased need of this type of housing due to impacts from COVID-19.
- The first amendment (FINAN-202055635 - 01) extended the term of the original agreement through December 31, 2020.
- The proposed second amendment (FINAN-202057182 - 02) would extend the contract two months through February 28th, 2021 and offers the option to extend on a monthly basis through the end of June 2021.

Populations Served

- The contract supports Non-Congregate Protective Action rooms.
 - *Protective Action (PA)*, rooms to place high risk individuals in safe conditions out of congregate shelter or unsheltered conditions. Includes individuals who are most vulnerable to negative outcomes if they contract COVID-19, including older populations and individuals with underlying health conditions.
- The original contract, first amendment and the proposed second amendment before council, provides 151 rooms. These rooms provide non-congregate protective action shelter to support people experiencing homelessness during the COVID-19 emergency.
- Guests are referred through internal review and partner agency The Salvation Army and Colorado Coalition for the Homeless.
- The 151 rooms provided through this amendment are part of a larger effort by HOST to offer non-congregate shelter for those experiencing homelessness. The current total of Protective Action rooms is 703 PA. If the original agreement were to expire on December 31, 2020 as outlined by the first amendment, the City would lose access to 151 rooms, decreasing the number of rooms available and putting many vulnerable individuals at risk of losing stable shelter.

Associated Agreements

- This fall, HOST advanced two items through Safety, Housing, Education & Homelessness Committee to approve and extend contracts with the Colorado Coalition for the Homeless and The Salvation Army to provide facility services, shelter staffing, primary and behavioral health care, food and other supports for guests in hotel/motel rooms, including the 151

rooms in the proposed amendment. The Salvation Army and Colorado Coalition for the Homeless currently manage the contract and will continue with this amendment.

- Through HOST's contracts with The Salvation Army, guests in the 151 rooms will receive support food services including three meals per day.
- Security is provided through a contract with Securitas for one guard to supplement DPD in security on-site. Security is 24/7. The approximate monthly cost for security is anticipated to be about \$35K. A DPD guard was a specific contract requirement for Hampton Inn. This is the only hotel with this requirement.
- Cleaning is provided partially by the hotel and partially through Bayaud.

Details

PROPERTY OWNERSHIP:	MHF Denver Manager V LLC, as agent for MHF Denver Operating V LLC d/b/a Hampton Inn & Suites Denver-Downtown
PROPERTY ADDRESS:	1845 Sherman Street, Denver, Colorado 80203
CONTRACT TYPE:	Emergency Occupancy Agreement – Amendment #2
# ROOMS:	151 rooms
CONTRACT CONTROL NUMBER:	FINAN-202054346 – 00 – Original Agreement FINAN-202055635 – 01 – Amendment #1 FINAN-202057182 – 02 – Proposed Amendment #2
COUNCIL DISTRICT:	10
USE:	Housing assistance for those experiencing homelessness during the COVID-19 pandemic

Terms and Costs

Contract Details	Original Contract	Amendment #1	Proposed Amendment #2
Contract Control Number	FINAN-202054346-00	FINAN-202055635-01	FINAN-202057182-02
Term	April 16, 2020 - August 31, 2020	September 1, 2020 – December 31, 2020	January 1, 2021 – February 28, 2021 – with an option to extend on a monthly basis through the end of June 2021.
Effective Date	4/16/2020	9/1/2020	TBD
# Rooms	151	151	151
Pricing/room/day	\$60	\$65	\$65
Total cost per day	\$9,060	\$9,815	\$9,815
Maximum Contract Amount	\$1,625,280	\$2,822,710	\$4,599,225

Security

Service Provider	Currently a combination of Securitas and DPD The Securitas contract is based on city council approval.
# of FTEs	1 guard – Securitas 1 guard – DPD

	Rotating shift with dual coverage during high traffic times Total of 24/7 coverage between the two sources of security
Hours of operation	24/7 Coverage
Total cost per month	\$35,000 total monthly (estimated)
Estimated cost 1/1/2021-2/28/2021	\$70,000 total (estimated)

Food Service

Service Provider	Food is provided by The Salvation Army
Meals Provided	3 meals/room/day

Cleaning

Service Provider	Currently a combination of Bayaud and the hotel.
# of FTEs	Bayaud shall provide two (2) on-site staff to perform housekeeping to 150 rooms, twice monthly and any negative COVID-19 room turns. If a guest must check out due to a positive COVID-19 test, an additional team shall be deployed to clean the room. If a guest must check out due to a positive COVID-19 test, an additional team shall be deployed to clean the room.
Total cost per month	\$12,455 total monthly (estimated)
Estimated cost 1/1/2021-2/28/2021	\$24,910 total (estimated)