

Agenda Item

DATE: SEPTEMBER 18, 2023
TO: DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS
THROUGH: DOUGLAS J. DEBORD, COUNTY MANAGER
FROM: DAN AVERY, SPECIAL PROJECTS MANAGER
ARTIE LEHL, DEPUTY DIRECTOR, DCHP
SUBJECT: DOUGLAS COUNTY HOUSING PARTNERSHIP FUNDING REQUEST

On August 21st, the Douglas County Housing Partnership (DCHP) presented a \$1.5M funding request to support acquisition of the Reyn Rock Senior Apartments in downtown Castle Rock. The Board was supportive of the request at that time, but the final amount and structure of County contribution was contingent on grant applications submitted to the Division of Housing. DCHP was recently approved for the use of HOME funds for the project as anticipated, but was not granted the other grant funding it sought. As such, DCHP is requesting a County contribution of \$1.5M, structured as a grant payable from ARPA funds or accrued interest.

BACKGROUND

DCHP is under contract to acquire the property at the corner of 4th and Perry St. in downtown Castle Rock. There are 33 units inside this 5-story building, all of which are subsidized by the U.S. Department of Housing and Urban Development (HUD) through a Housing Assistance Payments contract. DCHP desires to acquire and operate the property with a goal of improving both the quality of operations and the quality of the units for very low-income senior residents.

DISCUSSION AND NEXT STEPS

Staff requests a Board motion to develop a grant agreement with DCHP in the amount of \$1.5M for consideration at an upcoming BOCC business meeting. DCHP closes on the property on October 6th, and is finalizing a bridge loan from the Impact Development Fund (IDF), a nonprofit Community Development Financial Institution. As part of its underwriting, IDF requests a letter of support for the DCHP grant and confirmation that the use of the funds by DCHP will be restricted to repaying the bridge loan from IDF. DCHP has no objection to this restriction and a draft letter is attached.

ATTACHMENTS

- Division of Housing grant declination
- Draft grant support letter to IDF

From: [Dan Avery](#)
To: [Dan Avery](#)
Subject: FW: 33664 Reyn Rock - Status and Data Needed
Date: Thursday, September 14, 2023 3:17:05 PM

From: McClary - DOLA, Wayne <wayne.mcclary@state.co.us>
Sent: Thursday, September 7, 2023 3:58 PM
To: Arthur Lehl <alehl@douglas.co.us>
Cc: Erica Madison <Erica@impactdf.org>; Allsun Kilgore - DOLA <allsun.kilgore@state.co.us>; Jeremy Branting - DOLA <jeremy.branting@state.co.us>; Andy - Andrew Kaczka - DOLA <andrew.kaczka@state.co.us>
Subject: 33664 Reyn Rock - Status and Data Needed

Hi Artie,

As I mentioned, I am taking Reyn Rock to our internal review next Tuesday.

I have talked with management, and DOH should be able to approve repurposing \$950,000 in DPA HOME program income for this acquisition. **However, we will not be able to use an additional \$1,000,000 in HDG funds for this acquisition.**

I will need the following to support this DOH request:

1. Copy of the current HAP contract.
2. Environmental CEST forms.
3. LOI from Bank of Colorado for the perm loan.
4. Commitment letter or confirmation email from you on the Douglas County non-federal grant.
5. Since we are using repurposed HOME program income, we will need a release of funds for this site.

Thanks for your help.

Wayne McClary
Housing Development Team Manager



1313 Sherman St., Room 320, Denver, CO 80203
wayne.mcclary@state.co.us / P 303-864-7819 / www.DOLA.Colorado.Gov

DOLA's Vision: Empowered, thriving, resilient Colorado communities with safe and secure homes for all.

Under Colorado's Open Records Act (CORA), all messages by or to me on this State-owned E-mail account may be subject to public disclosure.

September 18, 2023

Via email to Erica@impactdf.org

Erica L. Madison, Chief Lending Officer
Impact Development Fund
222 S. Park Ave.
Montrose, CO 81401

Dear Ms. Madison,

On September 18th, 2023 the Board of County Commissioners met in a public work session to consider a grant request of \$1.5M to the Douglas County Housing Partnership to facilitate acquisition of the Reyn Rock Senior Housing property at 403 Perry Street, Castle Rock, CO. At that meeting, the Board motioned to support the request and directed staff to prepare a grant agreement for final approval at an upcoming BOCC business meeting. Funds are not appropriated until formal approval of the grant at a business meeting. As requested, these grant funds are to be restricted to repaying the bridge loan from IDF, a condition to which the DCHP has acknowledged and consented.

Douglas County is pleased to support acquisition of this property by DCHP with a goal of improving both the quality of operations and the quality of the units for very low-income senior residents.

Sincerely,

BOARD OF DOUGLAS COUNTY COMMISSIONERS

Abe Laydon

George Teal

Lora L. Thomas

Abe Laydon
Commissioner District I

George Teal
Commissioner District II

Lora L. Thomas
Commissioner District III