



# ADAMS COUNTY

**COLORADO**  
BOARD OF COUNTY COMMISSIONERS

Eva J. Henry - District #1  
Charles "Chaz" Tedesco - District #2  
Erik Hansen - District #3  
Steve O'Dorisio - District #4  
Mary Hodge - District #5

---

**STUDY SESSION AGENDA  
TUESDAY  
May 15, 2018**

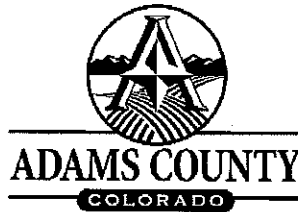
*ALL TIMES LISTED ON THIS AGENDA ARE SUBJECT TO CHANGE*

---

- |                   |  |
|-------------------|--|
| <b>10:30 A.M.</b> | <b>ATTENDEE(S):</b> Kristin Sullivan / Joelle Greenland / Debra Bristol              |
|                   | <b>ITEM:</b> Eastern Slope Housing HOME Investment Partnerships Program (HOME) Loans |
| <b>11:00 A.M.</b> | <b>ATTENDEE(S):</b> Jan James / Jeff Bowman  |
|                   | <b>ITEM:</b> Homes for Hope  |
| <b>11:30 A.M.</b> | <b>ATTENDEE(S):</b> Raymond Gonzales   |
|                   | <b>ITEM:</b> Administrative Item Review / Commissioners Communications               |

(AND SUCH OTHER MATTERS OF PUBLIC BUSINESS WHICH MAY ARISE)

\*\*\*AGENDA IS SUBJECT TO CHANGE\*\*\*



## STUDY SESSION AGENDA ITEM

<b>DATE:</b>	May 15, 2018
<b>SUBJECT:</b>	Eastern Slope Housing's HOME Investment Partnerships Program (HOME) Loans
<b>FROM:</b>	Kristin Sullivan, Community & Economic Development Director
<b>AGENCY/DEPARTMENT:</b>	Community & Economic Development
<b>ATTENDEES:</b>	Kristin Sullivan, Doug Clark, Ben Dahlman, Joelle Greenland and Debra Bristol
<b>PURPOSE OF ITEM:</b>	Discussion of HOME loans between the County and Eastern Slope Housing
<b>STAFF RECOMMENDATION:</b>	Staff is recommending that the HOME loans between the County and Eastern Slope Housing be forgiven

### **BACKGROUND:**

In June 2017, County staff initiated the required annual desktop HOME compliance monitoring for Eastern Slope Housing (Eastern), and discovered two (2) HOME loans between the County and Eastern with final payments due in June and July 2018.

Staff consulted with the County's Finance Department who reviewed Eastern's financials, and concluded that there were limited resources for repayments. On March 22, 2018, County staff met with representatives from Eastern, including three of its Board members, to discuss the status of the following loans:

#### Prairie Creeks Living Center

On July 31, 1996, the County and Eastern entered into a \$30,000 loan agreement for the development of sixteen (16) new affordable senior assisted living units.

#### The Residences at Prairie Creeks

On July 24, 2002, the County and Eastern entered into an agreement awarding \$221,975 in grant (\$110,987.50) and loan (\$110,987.50) funds for the construction of twenty-four (24) new affordable senior housing units.

### **STAFF RECOMMENDATION:**

Staff is recommending that the outstanding HOME loans be forgiven.

### **AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:**

County Attorney, County Manager's Office, County Finance Department

**ATTACHED DOCUMENTS:**

April 13, 2018 County Staff Memorandum

Eastern Slope Housing HOME Agreement – Exhibit C

**FISCAL IMPACT:**

Please check if there is no fiscal impact . If there is fiscal impact, please fully complete the section below.

**Fund:**

**Cost Center:**

	Object Account	Subledger	Amount
Current Budgeted Revenue:			
Additional Revenue not included in Current Budget:			
<b>Total Revenues:</b>			<hr/>


	Object Account	Subledger	Amount
Current Budgeted Operating Expenditure:			
Add'l Operating Expenditure not included in Current Budget:			
Current Budgeted Capital Expenditure:			
Add'l Capital Expenditure not included in Current Budget:			
<b>Total Expenditures:</b>			<hr/>

New FTEs requested:  YES  NO

Future Amendment Needed:  YES  NO

**Additional Note:**

**APPROVAL SIGNATURES:**

  
Raymond H. Gonzales, County Manager

\_\_\_\_\_  
Alisha Reis, Deputy County Manager

  
Bryan Ostler, Deputy County Manager

\_\_\_\_\_  
Patti Duncan, Deputy County Manager

**APPROVAL OF FISCAL IMPACT:**

  
Budget



**To: Kristin Sullivan, Community & Economic Development Director  
Doug Clark, Community & Economic Development Deputy Director**  
**Through: Joelle Greenland, Community Development & Long Range Planning Manager**  
**From: Debra Bristol, Community Development Coordinator**  
**Date: April 13, 2018**  
**Re: Request for Adams County to Forgive Eastern Slope Housing's HOME Loans**

### **Background**

Eastern Slope Housing (Eastern) is a 501(c)(3) organization located in Strasburg, Colorado that provides affordable housing options to senior citizens living along the I-70 Corridor in eastern Adams County. Utilizing Adams County HOME Investment Partnerships Program (HOME) funds, Eastern developed two senior affordable housing projects at 56175 Sunset Avenue, Strasburg, CO: The Residences at Prairie Creeks and Prairie Creeks Living Center. While the former offers independent living apartments for seniors 55 and over, the latter operates as an assisted-living center for those needing more care.

In June 2017, County staff initiated the required annual desktop HOME compliance monitoring for the subject properties and discovered two loans between the County and Eastern with final payments due in June and July 2018. These loans are described in more detail below:

#### **Prairie Creeks Living Center**

On July 31, 1996, Eastern Slope Housing entered into an agreement with the County awarding a \$30,000 loan for the development of sixteen (16) new affordable housing units for seniors in need of assisted living. The loan terms are as follows:

- Awarded to Eastern Slope Housing as a deferred loan;
- No interest or principle payments scheduled or deferred;
- Twenty (20) Year Affordability Period;
- Final payment of \$30,000 due to the County on July 31, 2018; and
- According to County records, there is no Deed of Trust or Note recorded on the property.

#### **The Residences at Prairie Creeks**

On July 24, 2002, Eastern Slope Housing entered into an agreement with the County awarding \$221,975 in grant (\$110,987.50) and loan (\$110,987.50) funds for the construction of twenty-four (24) new affordable housing units for seniors. The loan terms are as follows:

- Promissory Note signed April 29, 2002;
- A 3% interest rate on the loan was deferred until June 1, 2004;
- Annual payments per a payment schedule for 15 years (*see attached amortization table*);
- Final payment of \$139,455.65 due to Adams County on June 1, 2018; and
- Forty (40) year Affordability Period (ending in 2044).

### **Eastern Slope Housing's Request to Forgive the Loans**

After the County approached Eastern about the subject loans, Eastern advised County staff that it was not in a financial position to repay the loans and asked that the loans be forgiven. The County's Finance Department reviewed Eastern's financials, and concluded that there were limited resources for loan repayment. On March 22, 2018, County staff met with representatives from Eastern, including three of its Board members, to discuss the situation. Subsequently, Eastern provided the following information to support its request:

Eastern was created as a community response to changes in the area's agricultural economies. These changes resulted in fewer individuals staying in rural communities, causing many aging residents to become isolated due to a loss of independence and local family support. In 1993, representatives of local businesses and area residents created Eastern's first Board of Directors, with the purpose of creating housing that also provides on-site services. Prior to the establishment of Eastern, there existed few options for supportive senior housing in the area.

The need for affordable senior housing in the area has only increased, and Eastern's properties have maintained waitlists of up to three years with a vacancy rate of 1.5 percent. This low vacancy rate indicates the properties only experience vacancy when a unit is renovated for a new resident. Currently, the properties serve residents at or below 80% the area's average median income (AMI).

Over the years, Eastern has operated on few government subsidies, only receiving revenue through rent paid by Medicare and limited private sources. As the operation costs of the two properties have increased over the years, property revenue has become insufficient for covering major property expenses. This became most evident when both properties experienced significant hail damage in 2010 and 2016, and paid a \$75,000 deductible. As result, property insurance deductibles increased from 1 percent to 2 percent of the properties' total value, increasing its deductible to \$125,000 for future claims.

To ensure Eastern continues to offer affordable senior housing, the organization has been committed to maintaining affordable rents. The properties' low rents, with no additional subsidies, means the organization's limited revenue cannot cover the current balances on the County's two outstanding loans. In addition, Eastern would eventually like to develop a second phase next door (Prairie Creeks Phase II) in order to provide more affordable senior housing to the area. Forgiving the loans would decrease Eastern's financial liability and make any future housing development more feasible.

**Staff Recommendation**

Based on the presented information, staff is recommending that the loans be forgiven.

Attachments:

Eastern Slope Housing's HOME Agreement Exhibit 3 - Amortization Table

# Amortization Table Exhibit C

## BORROWER INFORMATION

Name: **Eastern Slope Housing**

Address: **56175 Sunset Avenue**

City, State and Zip: **Strasburg, CO 80136**

Home Phone:

Work Phone:

## PROPERTY INFORMATION

Legal Description: **Sub: Eastern Slope  
Block 1,  
Lot 1 - Lot 2  
County of Adams  
State of Colorado**

### LOAN DATA

Loan amount: **\$110,987.50**

Annual interest rate: 3.00%

Term in years: 15

Payments per year: 1

First payment due: June 1, 2004

### TABLE DATA

Table starts at date:  
or at payment number: 1

### PERIODIC PAYMENT

Entered payment: \_\_\_\_\_  
Calculated payment: **\$9,297.04** *The table uses the calculated periodic payment amount unless you enter a value for "Entered payment".*

### CALCULATIONS

Use payment of: \$9,297.04      Beginning balance at payment 1: 110,987.50  
1st payment in table: 1      Cumulative interest prior to payment 1: 0.00



## Table

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
1	June 1, 2004	110,987.50	3,329.63	5,967.42	105,020.08	3,329.63
2	June 1, 2005	105,020.08	3,150.60	6,146.44	98,873.64	6,480.23
3	June 1, 2006	98,873.64	2,966.21	6,330.83	92,542.81	9,446.44
4	June 1, 2007	92,542.81	2,776.28	6,520.76	86,022.05	12,222.72
5	June 1, 2008	86,022.05	2,580.66	6,716.38	79,305.67	14,803.38
6	June 1, 2009	79,305.67	2,379.17	6,917.87	72,387.79	17,182.55
7	June 1, 2010	72,387.79	2,171.63	7,125.41	65,262.38	19,354.19
8	June 1, 2011	65,262.38	1,957.87	7,339.17	57,923.21	21,312.06
9	June 1, 2012	57,923.21	1,737.70	7,559.35	50,363.86	23,049.75
10	June 1, 2013	50,363.86	1,510.92	7,786.13	42,577.74	24,560.67
11	June 1, 2014	42,577.74	1,277.33	8,019.71	34,558.02	25,838.00
12	June 1, 2015	34,558.02	1,036.74	8,260.30	26,297.72	26,874.74
13	June 1, 2016	26,297.72	788.93	8,508.11	17,789.61	27,663.67
14	June 1, 2017	17,789.61	533.69	8,763.36	9,026.26	28,197.36
15	June 1, 2018	9,026.26	270.79	9,026.26	0.00	28,468.15



## STUDY SESSION AGENDA ITEM

<b>DATE:</b>	May 15 <sup>th</sup> , 2018
<b>SUBJECT:</b>	Homes for Hope Project Update
<b>FROM:</b>	Raymond H. Gonzales
<b>AGENCY/DEPARTMENT:</b>	County Manager's Office
<b>ATTENDEES:</b>	Raymond H. Gonzales, Jeff Bowman, Cat Townsend, Sean Braden, Jan James, Chris Kline and Gabriel Rodriguez
<b>PURPOSE OF ITEM:</b>	Provide an update on the 2018 Homes for Hope Project
<b>STAFF RECOMMENDATION:</b>	That the BoCC increase project budget to achieve programmatic needs and address unforeseen conditions.

### **BACKGROUND:**

Adams County's Homes for Hope Project seeks to renovate county owned properties for use as emergency and short-term placements for children in need of child protection. By having adequate capacity and availability, we will be able to keep siblings together when the family crisis requires intervention to keep siblings safe. This in-county resource, will save caseworkers time and save the county travel costs to transport to current emergency placements outside of the county.

Homes For Hope will help to keep children in their home community and nearer to extended-family/kinship resources and supports. Allows us to keep school-aged children in their home schools to assure more support for them as they struggle with the personal family crisis (research shows this is vitally important for children). In-county placement helps to promote easy coordination of medical, dental and therapeutic services to support children and families.

### **AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:**

County Manager's Office  
Department of Human Services  
Department of Fleet and Facilities

### **ATTACHED DOCUMENTS:**

Homes for Hope PowerPoint Presentation

**FISCAL IMPACT:**

Please check if there is no fiscal impact . If there is fiscal impact, please fully complete the section below.

**Fund:** 1

**Cost Center:** 9252

	Object Account	Subledger	Amount
Current Budgeted Revenue:			
Additional Revenue not included in Current Budget:			
<b>Total Revenues:</b>			

	Object Account	Subledger	Amount
Current Budgeted Operating Expenditure:			
Add'l Operating Expenditure not included in Current Budget:			
Current Budgeted Capital Expenditure:	8810	92521804	400,000.00
Add'l Capital Expenditure not included in Current Budget:			275,000.00
<b>Total Expenditures:</b>			<b>675,000.00</b>

New FTEs requested:  YES  NO

Future Amendment Needed:  YES  NO

Additional Note:

**APPROVAL SIGNATURES:**

  
 Raymond H. Gonzales, County Manager

\_\_\_\_\_  
 Alisha Reis, Deputy County Manager

\_\_\_\_\_  
 Bryan Ostler, Deputy County Manager

\_\_\_\_\_  
 Patti Duncan, Deputy County Manager

**APPROVAL OF FISCAL IMPACT:**

  
 Budget

# Adams County Homes for Hope

---

## Project Update

May 15, 2018



ADAMS COUNTY  
COLORADO



# Remembering the “Why”

- To provide in-county emergency and short-term placements for children in need of child protection
- By having adequate capacity and availability, we can keep siblings together when the family crisis requires intervention to keep siblings safe
- This in-county resource, will save caseworkers time & will save the county travel costs to transport to emergency placements outside of the county
- Homes For Hope will help us to keep children in their home community and nearer to extended-family/kinship resources and supports
- Allows us to keep school-aged children in their home schools to assure more support for them as they struggle with the personal family crisis (research shows this is vitally important for children)
- In-county placement helps to promote easy coordination of medical, dental and therapeutic services to support children and families

# Remembering the “Why”

- An in-county resource helps promote quicker visitation between the child and family to encourage rapid parent engagement
- Rapid engagement closer to the moment of crisis has been shown to shorten the time overall that children are in out of home care by offer help in the “wake up call” moment of crisis (this reduced overall costs of treating families)
- This model **does not exist** anywhere else and has the potential to help spotlight our innovation and reputation of leadership in the State and Country
- It’s the right thing to do to support our children and families!



## What will be the Fiscal Impact?

---

The smaller home can host up to 3 foster children if fully built out (this includes living space for the foster family)

The larger home can serve 5-7 foster children and a foster family, depending on the level of completion

Cost of care for 8-10 children if placed in non-county foster homes...

\$11,477 to \$14,347 per month

or

\$137,724 to \$172,164

Annualized Cost

# Where are we in the Child Placement Agency RFP Process?

- The RFP was released on May 10<sup>th</sup>, with the understanding that proposals must be submitted not later than May 31<sup>st</sup>
- Scope of Work Requires available occupancy to be not less than 6 placement slots at any given time, and places responsibility on the awarded Child Placement Agency (CPA) to assure that licensed foster families are available at all times to receive children 24-hours daily, 365 days annually, even if the assigned families are on vacation, have personal emergencies or are otherwise unavailable



# Description of Properties

## Property #1 – 6501 E 104<sup>th</sup>:

- Split Level
- Built 1969
- 2825 SF/3 Bdrm./3 Bath
- Vaulted Ceilings
- Fenced Yard
- Enclosed Porch Entrance
- Attached Garage
- Well Water
- Septic Sewer
- Propane Gas

## Property #2 – 6421 E 104<sup>th</sup>:

- Ranch Style
- Built 1937
- 1093 SF/2 Bdrm./1 Bath
- Unfinished Basement
- Fenced Yard
- Enclosed Porch Entrance
- No Garage
- Well Water
- Septic Sewer
- Propane Gas

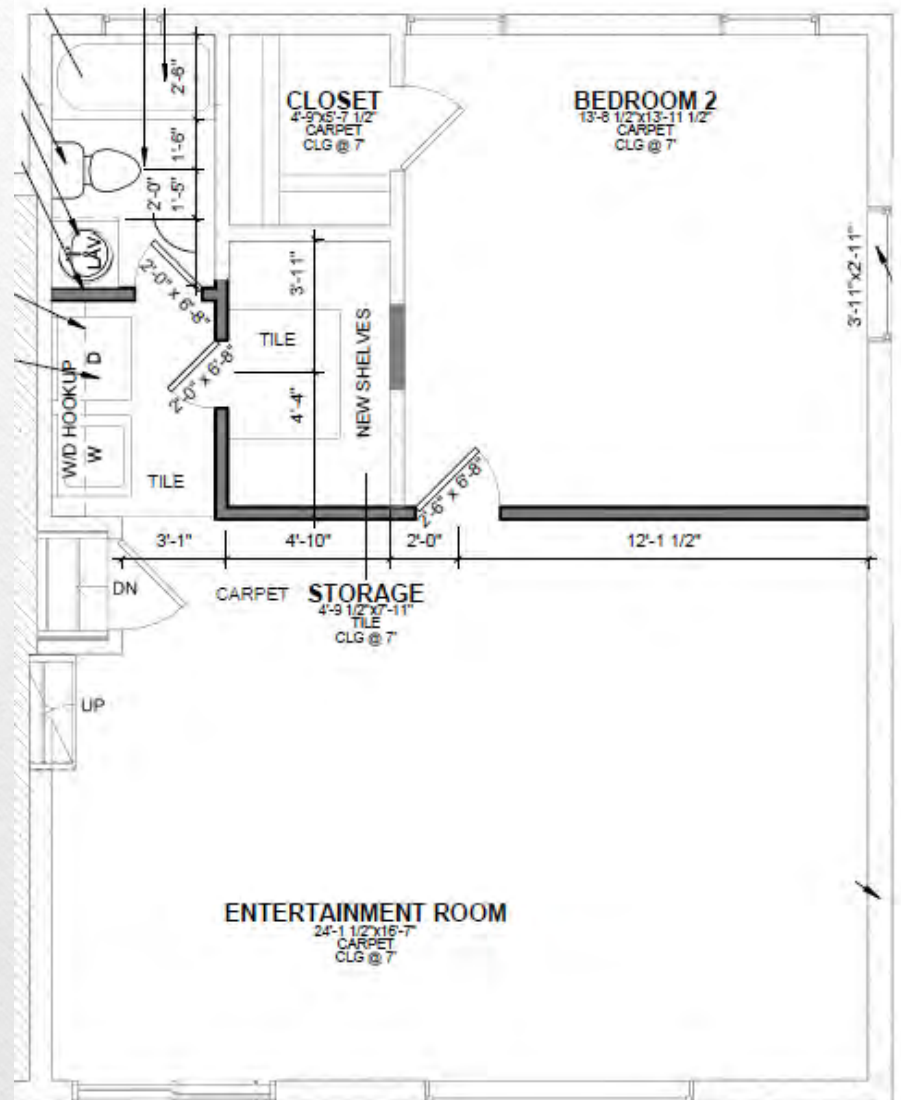




# Full Renovation

## Property 1

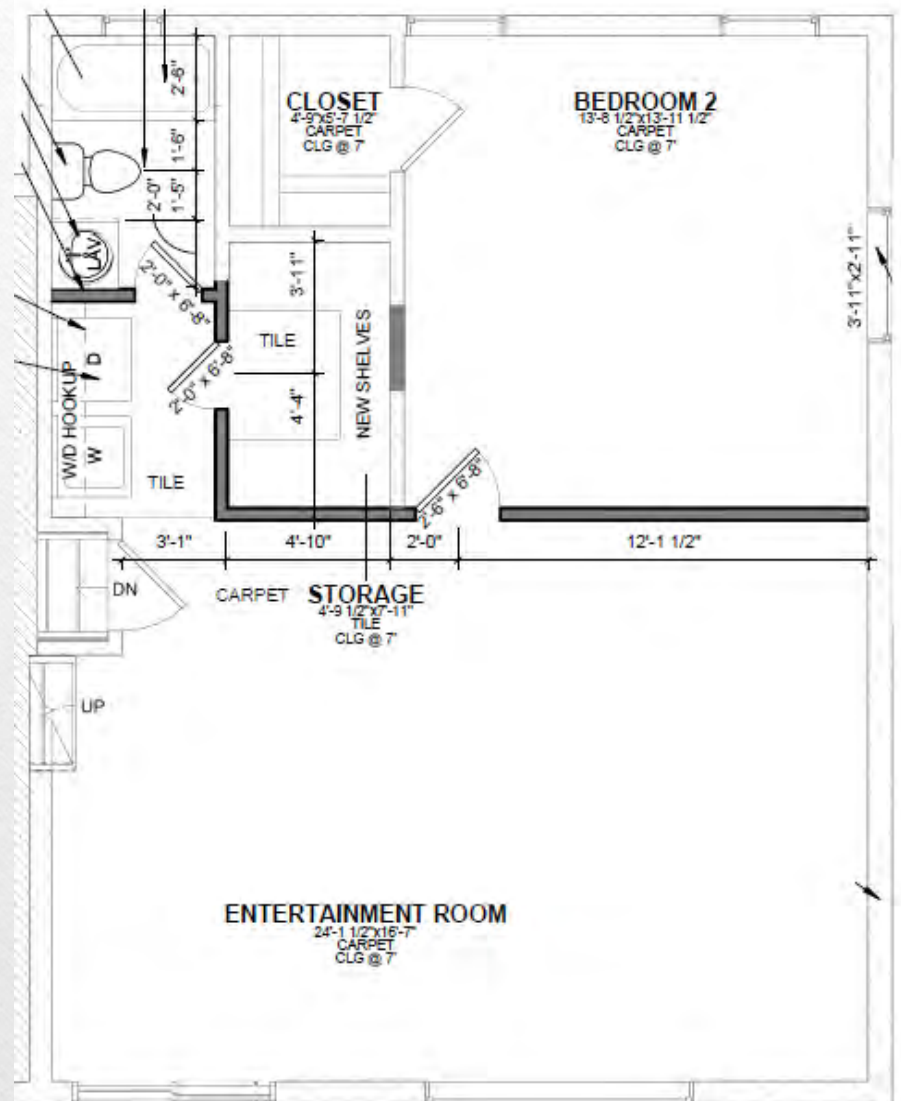
- Abatement Throughout
- Update Insulation
- Remove Paneling
- Remove Fireplace & Hearth
- Replace Doors & Hardware
- Finish Lower Level
- Create Bedroom #5
- Create Storage
- Rework Master Bathroom
- Better Quality Finishes
- New Wood Flooring Main Level
- Replace Electrical Circuitry
- Move Electrical Meter & Service Feed
- Add Perimeter Fencing



# Property 1:

## Unforeseen Conditions

- Asbestos abatement
- Septic system replacement
- Plumbing code compliance
- Replace aluminum circuitry wiring to current code compliance
- Electrical upsize service feeder, relocate meter and panel
- Update insulation noncompliance with current energy code – price included in abatement above
- Change out and replace windows to tempered/egress compliance
- Repair decking, railing and post and beams for failing structure



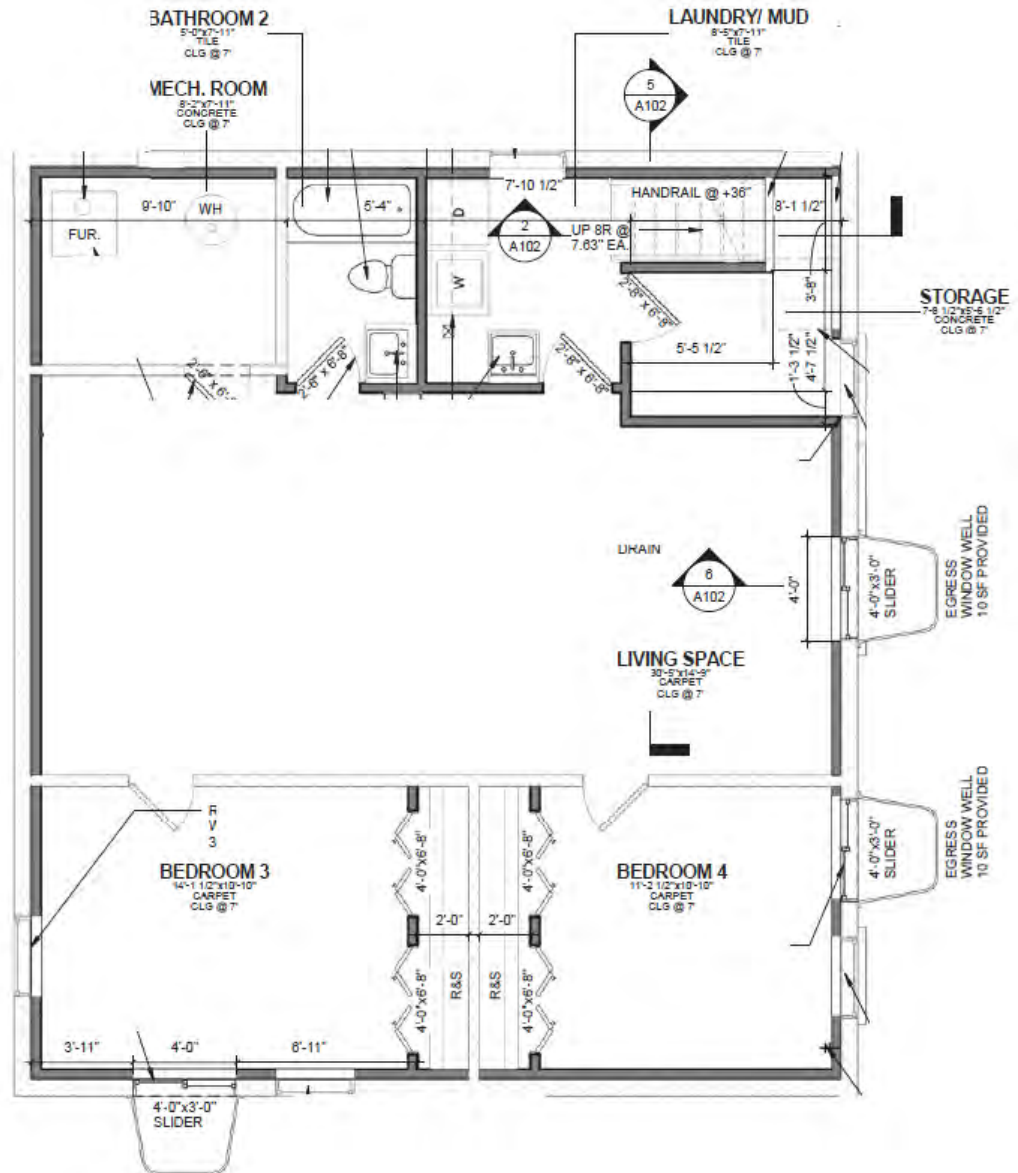






# Full Renovation: Property 2

- Finish Basement
- Finish 953 SF Living Space Code Compliant
- Add Bedrooms #3 & #4
- Add Full Bathroom #2
- Finished Laundry Area
- Rework Kitchen Layout
- Better Quality Finishes
- Replace Heating/Cooling
- Correct Noncompliant Stairs & Basement Entrance
- Upsize Septic
- Add Perimeter Fencing







# Opportunities for Partnerships

## Potential Donations:

- Furniture
- Appliances
- Landscaping Materials
- Exterior Improvements

## Volunteering:

- Landscaping
- Fencing



# Project Budget

Approved Budget \$400,000.00

## Renovate to Desired Programmatic Needs and Address Unforeseen Conditions

- Full Program Desired Scope
  - Completely Renovate (like new residences)
- Additional Funding Amount                   \$   275,000.00

# Next Steps

## Design:

- Complete Construction Documents
- Submit for and Acquire Building Permits

## Construction:

- Preconstruction Services – In Progress
- GMP Approval anticipated at Public Hearing
- Construction Activities early July through August 2018



Questions?