Hybrid Meeting Information

This meeting is being held in a Virtual/In Person format based on City of Durango Resolution R 2022-0017 adopted on April 5, 2022 by the Durango City Council.

The link to the virtual meeting is available here:

http://durangogov.org/zoom

Please note: If this link does not take you directly to the meeting list, please copy and paste it into the address bar of your web browser.

MAYOR: Melissa Youssef
MAYOR PRO-TEM: Jessika Buell
COUNCIL MEMBERS: Olivier Bosmans, Dave Woodruff, Gilda Yazzie
CITY MANAGER: José Madrigal

MISSION
The City of Durango and our employees provide efficient city services, effectively maintain city assets and manage growth, are accountable, ethical and fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.

VISION
Durango is an authentic, diverse, multigenerational, and thriving community. Our residents value and enjoy our unique natural environment and benefit from the management of our city's resources in a fiscally responsible, environmental, and socially sustainable manner.

VALUES
* Teamwork
* Dependability
* Professionalism
* Service
* Respect
* Innovation
* Well-Being

STRATEGIC GOALS
* Affordability & Economic Opportunity (AEO)
* Diversity, Equity, Inclusion (DEI)
  * Effective Infrastructure Network (EIN)
  * Enhanced Livability & Sense of Place (ELSP)
* Environmental Sustainability & Resilience (ESR)
* Financial Excellence/High Performing Government (FE)
* Engaged and Collaborative Governance (ECG)
Theme - Diversity, Equity and Inclusion - 2:45 PM

Council Review of Agendas - 10 minutes

Community Support Recommended Block Grants - 1 hour 30 minutes - Submitted by Marisa Rupp

Presentation of the Business Improvement District Proposed 2024 Budget and Operating Plan

Community Support Recommended Block Grants

   Residences at Durango (Affordable Housing) Update- 20 minutes - Submitted By Eva Henson

Adjournment - 4:45 PM

NOTE THAT ALL TIMES ARE APPROXIMATIONS
Durango Business Improvement District

2024 Budget and Operating Plan
Date: September 15, 2023  
To: City of Durango  
Attn: City Manager Jose Madrigal

The Durango Business Improvement District (BID) is submitting its 2023 budget and operating plan to the City of Durango per the state of Colorado requirement.

**BID 101**

BID was created in 1997 through a vote of about 400 commercial property owners and the businesses in those properties. BID’s original purpose was to explore the creation of a conference center. BID fulfilled that purpose in 2001 through a formal study, and then went dormant for a couple of years. BID came back to its constituents in 2003 with a new purpose, which is essentially the same as it is today. The voters authorized BID to continue its work in 2003, and again in 2010.

From the 2010 ballot language, BID’s purpose is “marketing in support of the district, funding events, event coordination, and … capital improvements.”

BID is governed by a five-member board of directors, who are appointed by City Council. BID employees two full-time staff, a small team of seasonal and part-time Ambassadors, a contract bookkeeper and a contract communications consultant.

BID’s current 2.0 mill levy provides the vast majority of its funding. That mill levy will sunset in 2025, so BID is asking its constituents to re-authorize its funding through 2041 this November.

**BID 2023 Recap**

- **Marketing**
  - BID successfully operated a Spring Rewards Program that generated $171,000 in spending at BID businesses, and will operate a second program over the holiday shopping period that will produce at least that much spending.
  - BID manages two websites, DowntownDurango.org and HeartOfDurango.com. Through the end of the second quarter page views have increased by 12%, users have increased by 15%, and sessions have increased by 13%.
  - BID produced two event-focused marketing campaigns, one for summer events and the other for fall events.
  - BID will conduct a marketing campaign solely focused on North Main District businesses later this year.

- **Communications**
  - BID sends a weekly e-newsletter to BID business owners and others who have subscribed that provides accurate, brief and timely information. Through the second quarter, its open rate is 54% and its click through rate is 5%.

- **Events**
  - BID successfully managed the San Juan Brewfest, which was attended by 1,700 people and generated nearly $50,000 for United Way of Southwest Colorado.
  - BID will also hold three events before year end – Downtown Balloon Glow, Downtown Children’s Halloween and Singing with Santa.
Visitor Information
- BID’s Ambassador Program has created over 8,500 positive interactions with people visiting Downtown from Memorial Day to the end of August, and Ambassadors will continue to help people find what they need through October.
- BID continues its partnership in the Durango Welcome Center.
- BID updated two signs in Downtown that contain a map of Downtown and the North Main District as well as a business directory.
- BID produced 14,000 brochures that have the same map and business directory. These are distributed by Ambassadors, at the Durango Welcome Center, and at hotels and campgrounds.

Beautification
- BID partnered with the City by recruiting Downtown businesses to host nearly 100 flower barrels over the summer months.
- BID partnered with the Durango Chamber of Commerce on the annual Downtown Clean Day event with nearly 100 volunteers assisting.

BID 2024 Budget
See the last two pages of this packet for BID’s 2024 budget, which was approved by its board of directors at its board meeting on September 14, 2023. There are two comparisons provided for BID’s 2024 budget – its 2023 budget and its projected year-end actual figures for 2023.

Income
BID’s mill levy income is slated for a 5% increase compared to the 2023 projected total. Event revenues are budgeted for an 8% increase. Rewards program income is budgeted to be slightly less than 2023 year-end projections. Ambassador Program income is budgeted to be the same as 2023. Other income is also budgeted in the same amount as 2023 projected year-end total.

Total income is budgeted to be $329,000, which is a 4% increase.

Expenses
Personnel and Related expenses are budgeted for a 2% increase, which will allow for small raises for the two full-time staff.

Administration and Operations expenses are budgeted for a 1% increase.

Event expenses are budgeted for a 5% decrease.

Marketing and Communications expenses show a 4% increase over projected 2023 year-end amounts.

Visitor Information and Beautification expenses are budgeted for an 11% increase, which will allow BID to increase the hourly wage paid to Ambassadors.

Net Income
BID’s 2024 budget produces a positive net income of just under $2,500.
What does this budget allow BID to accomplish in 2024?

Marketing
- Two Rewards Programs (Spring and Holiday) that should produce $300,000 in local spending
- North Main District marketing campaign
- Continued website development for DowntownDurango.org and HeartOfDurango.com
  - Website includes an online business directory, and key information for visitors and BID businesses
- Graphic Design for various materials
- Paid digital ads on social media and other websites
- Small event sponsorships
- Three seasonal event promotional pieces, both print and digital (summer, fall and holiday)
- Other event promotion, including digital ads and a special page on BID website
- An ad in Durango Discovery Map to promote summer parking options
- HeartOfDurango.com stickers for Ambassadors to distribute
- Manage social media:
  - BID Facebook, Instagram, Twitter, Linked In, Trip Advisor
  - San Juan Brewfest Facebook and Instagram

Events
BID staff will plan and implement these four events:
- San Juan Brewfest
- Downtown Balloon Glow
- Children’s Halloween
- Singing with Santa

BID will also help promote other key events in town in many ways.

Communications
- Accurate, brief and timely information
- Weekly e-newsletter sent to 2,000+ subscribers
- Regular communications with 450+ contacts at BID businesses
- Hold meetings with constituent businesses
- Respond to questions, concerns and comments from businesses

Visitor Information
- Ambassador Program with at least 1,000 hours and 10,000+ positive interactions with people visiting Downtown
- Continue Durango Welcome Center partnership, which includes a computer kiosk inside the Welcome Center using HeartOfDurango.com website and will use the center display window to support events and promotions
- Update two directory and map signs in Downtown at Buckley Park and D&SNGRR Depot. These signs feature Downtown and North Main District maps and business directories.
- Update 10 directory and map signs at covered Trolley stops in North Main District that include a North Main District map and business directory
• Print 10,000 brochures with maps for North Main District and Downtown, and an accompanying business listing for both areas

**Beautification**
• Downtown Clean Day partnership with the Durango Chamber of Commerce
• Summer flower barrel partnership with the City of Durango

**Personnel**
• Employ two full-time employees
• Contract with bookkeeper and communications consultant

**Administration & Operations**
• Lease an office and storage unit
• Office utilities
• Six months cleaning fees for common areas at office building
• Fees for bank accounts and payroll processing
• Zoom, Canva, Adobe and Constant Contact software
• Office supplies
• General Liability and Directors and Officers Insurance
• Memberships and Subscriptions:
  ▪ DurangoHerald.com
  ▪ Durango Chamber of Commerce
  ▪ La Plata County Economic Development Alliance
  ▪ Local First
• Professional development
• Office supplies
• Meeting expenses
• Parking for two employees
• Cell phones for two employees

BID staff will continue to be involved in, or monitor progress on, the following projects, programs, organizations and issues:
• Camino del Rio underpass at 12th Street
• Downtown’s Next Step
• Visit Durango’s Event Marketing Grant Committee
• And any other issue or concern that impacts Downtown and North Main District businesses
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<thead>
<tr>
<th></th>
<th>2023 Budget</th>
<th>2023 Projected Actual</th>
<th>2024 Budget</th>
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<tbody>
<tr>
<td><strong>Income</strong></td>
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<tr>
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<td>Ambassador Program</td>
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<td>Depreciation (Gum Machine)</td>
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<td>Downtown &amp; N Main Clean Day</td>
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<td>DWC Rent &amp; Other</td>
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TO: DURANGO CITY COUNCIL
FROM: MARISA RUPP
GRANTS AND CONTRACTS SPECIALIST

SUBJECT: DISCUSSION REGARDING 2024 PROPOSED BUDGET COMMUNITY SUPPORT CONTRACTED FUNDING

BACKGROUND SUMMARY:

Each year the City of Durango provides discretionary and contractual community support funding. The goal of the Community Support Funding Program is to create opportunities for organizations to work in partnership with the City to develop and support innovative and sustainable programs and services that address the City Council goals. Representatives from each of the service providers will present on their 2024 projects at the Study session.

<table>
<thead>
<tr>
<th>Contractual Service</th>
<th>Representatives</th>
<th>2024 Amount</th>
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<tbody>
<tr>
<td>Axis Health Detox</td>
<td>Sarada Leavenworth, Vice President of Administration Molly Rodrigues, Director of Crisis</td>
<td>$226,875 Included in City Manager’s Proposed Budget.</td>
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<td>Axis Health Core Program</td>
<td>Sarada Leavenworth, Vice President of Administration Molly Rodrigues, Director of Crisis</td>
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<td>Sarada Leavenworth, Vice President of Administration Molly Rodrigues, Director of Crisis</td>
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<td>Axis Building Contribution</td>
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<td>La Plata County Humane Society-Animal Protection Contract</td>
<td>Susan Riches, President Board of Director Chris Nelson, Director of Animal Services</td>
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<td>La Plata County Humane Society-Animal Shelter</td>
<td>Susan Riches, President Board of Director Chris Nelson, Director of Animal Services</td>
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<td>La Plata Youth Services</td>
<td>Jason St. Mary, Executive Director</td>
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<td>United Way Block Grant Program</td>
<td>Elise Savastano, Vice President of Operations</td>
<td>$368,000 Included in City Manager’s Proposed Budget.</td>
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Axis Health System
Withdrawal Management (Detox)
Continued Funding Request
September 2023

Axis Health System and the City of Durango have a long-standing partnership in providing acute psychiatric and crisis care through the Acute Treatment Unit (ATU), withdrawal management care through the Detox facility (Detox), and most recently, an innovative Co-Responder (CORE) program with the Durango Police Department. This Continued Funding Request is focused on the Withdrawal Management (Detox) program, and separate requests will be provided for the ATU and CORE programs.

Continued Funding Request: Axis and the City of Durango, along with multiple other partners region-wide (such as La Plata County, Fort Lewis College, Town of Ignacio, and many others), participate in a combined Intergovernmental Agreement (IGA), to support the delivery of withdrawal management services for our region through the Detox facility. This IGA has supported Detox care since its inception in 2006. The City of Durango’s portion of IGA funding is currently 60.5% and is calculated based on the usage of Detox services. Axis respectfully requests that the City of Durango continue to participate in the IGA at its 60.5% funding level, ensuring that City of Durango residents have a safe place to go when withdrawal from substances is necessary.

Withdrawal Management Services (Detox) Overview: The Detox facility is the only withdrawal management care option in southwest Colorado, providing 24/7/365 care and coordinating closely with law enforcement across the region, hospitals, Fort Lewis College, and myriad other service providers. Withdrawal management services include safe in-patient care while the patient is going through the withdrawal from substances process, mental health intervention when needed, and extensive referral and care coordination. On average, over 50% of services provided at Detox are for City of Durango residents.

Alignment with City of Durango Strategic Plan: The Detox program is closely aligned with the City of Durango’s Strategic Goals, mainly supporting enhanced livability and a sense of place and diversity, equity, and inclusion, as access to safe withdrawal management services is vital to health equity and a thriving community.

Detox Care Highlights in FY2023: Detox served 352 unduplicated City of Durango residents, resulting in 1,138 days of care (51% of total care days). Many people who utilize Detox are willing to accept additional services and work with Detox staff towards recovery, including engaging in outpatient care.

Axis Health System Organizational Overview: Axis is a 501(c)(3) tax-exempt nonprofit. Our mission is to make a meaningful difference through healthcare innovation and caring for the whole person. Since 1960, Axis has been committed to Durango residents, along with those across our region, as a Community Mental Health Center (CMHC), a licensed Substance-Use Treatment Provider, and a Health Resources and Services Administration (HRSA) designated Community Health Center (CHC). Axis is one of only a few organizations in Colorado with all three designations. Axis provides primary, oral, mental, substance use, and pharmacy healthcare options. Since its inception, Axis has been growing along with the City of Durango and our region, working diligently to sustainably improve healthcare access and expand care for all community members.
Axis Health System and the City of Durango have a long-standing partnership in providing acute psychiatric and crisis care through the Acute Treatment Unit (ATU), withdrawal management care through the Detox facility (Detox), and most recently, an innovative Co-Responder (CORE) program with the Durango Police Department. **This Continued Funding Request is focused on the ATU**, and separate requests will be provided for the Detox and CORE programs.

**Continued Funding Request:** Axis and the City of Durango are in the first year of a three-year Memorandum of Understanding (MOU) regarding the City’s support for the ATU. This MOU has been renewed repeatedly since 2006, as the City has been a key supporter in recognizing that local residential acute treatment, stabilization, and behavioral health crisis response services are integral to a healthy community. Axis respectfully requests $150,000 for 2024, year two of our MOU.

**Acute Treatment Unit (ATU) Overview:** The ATU is the only inpatient psychiatric facility in southwest Colorado, providing effective 24/7/365 care for Durango residents experiencing a severe mental health emergency. Before the ATU opened in 2006, Durango residents needing acute psychiatric care had to be transported, often by law enforcement, to an out-of-area facility, causing significant disruption to the patient’s life and cost to the community. The ATU prevents residents from needing costly and often lengthy hospital care outside our region. In FY2023, the average length of stay at the ATU was six days, while out-of-area hospital placements averaged ten days. Providing local care keeps residents close to their families and offers critical support for recovery. The ATU serves residents of Durango, La Plata County, and surrounding communities, with most surrounding counties and municipalities contributing funding support. **City of Durango residents represent 45%-55% of ATU patients served year-over-year.**

**Alignment with City of Durango Strategic Plan:** The ATU is closely aligned with the City of Durango’s Strategic Goals, mainly supporting enhanced livability and sense of place and diversity, equity, and inclusion, as access to acute inpatient psychiatric care and mental health crisis services is vital to health equity and a thriving community.

**ATU Care Highlights in FY2023:** City of Durango residents accounted for 88 admissions to the ATU in FY2023 (45% of total admissions), resulting in 558 days of care. Axis staff strive to provide intervention in the least restrictive environment possible and meet the needs of most patients through outpatient and crisis response care. Axis provided 7,965 crisis assessments and response services for Durango residents experiencing a behavioral health emergency (54% of total crisis services), reducing the need for high-acuity care when possible.

**Axis Health System Organizational Overview:** Axis is a 501(c)(3) tax-exempt nonprofit. **Our mission is to make a meaningful difference through healthcare innovation and caring for the whole person.** Since 1960, Axis has been committed to Durango residents, along with those across our region, as a Community Mental Health Center (CMHC), a licensed Substance-Use Treatment Provider, and a Health Resources and Services Administration (HRSA) designated Community Health Center (CHC). Axis is one of only a few organizations in Colorado with all three designations. Axis provides primary, oral, mental, substance use, and pharmacy healthcare options. Since its inception, Axis has been growing along with the City of Durango and our region, working diligently to sustainably improve healthcare access and expand care for all community members.
Axis Health System and the City of Durango have a long-standing partnership in providing acute psychiatric and crisis care through the Acute Treatment Unit (ATU), withdrawal management care through the Detox facility (Detox), and most recently, innovate co-response with the Durango Police Department through the Co-Responder (CORE) program. This Continued Funding Request is focused on the CORE Program, and separate requests will be provided for the ATU and Detox programs.

Continued Funding Request: Axis and the Durango Police Department began the CORE Program in 2021, with the generous support of the City of Durango. The CORE Program decreases utilization of high-cost resources like hospitals and jails, enhances mental health and law enforcement collaboration, and connects community members to the right services, decreasing unnecessary judicial system involvement. The City of Durango provides funding for the CORE Program to the Durango Police Department, which then contracts with Axis to provide the clinical personnel for the program. With this in mind, the Durango Police Department, in partnership with Axis, respectfully requests continued funding in the amount of $207,799 for the CORE Program in 2024.

CORE Program Overview: More than 10% of calls placed to 911 require intervention that falls outside of law enforcement scope and involves social determinants of health issues, such as homelessness, financial crisis, food insecurity, family services, and more. The Durango Police, Axis, and Dispatch recognized that a co-responder approach, with a mental health therapist and police department team responding to non-criminal calls, could be an innovative way to respond effectively to community needs. The CORE Team responds to 911 calls associated with mental health concerns, suicide prevention, conflict resolution, substance use support, homelessness support, and welfare checks. The CORE Program is focused on City of Durango residents and provided within City limits.

Alignment with City of Durango Strategic Plan: The CORE Program is closely aligned with the City of Durango Strategic Goals, particularly supporting enhanced livability and sense of place and diversity, equity and inclusion, as effective law-enforcement and behavioral health response is vital to health equity and a thriving community. The CORE Program also is an example of an exceptional collaborative partnership between the government and a nonprofit provider.

CORE Program Highlights in FY2023: The CORE Program has grown significantly, providing 2400 calls for service since its inception. Of these services, 76% were resolved at the point of contact, diverting additional unnecessary involvement from law enforcement or emergency medical services.

Axis Health System Organizational Overview: Axis is a 501(c)(3) tax-exempt nonprofit. Our mission is to make a meaningful difference through healthcare innovation and caring for the whole person. Since 1960, Axis has been committed to City of Durango residents, along with those across our region, as a Community Mental Health Center (CMHC), a licensed Substance-Use Treatment Provider, and a Health Resources and Services Administration (HRSA) designated Community Health Center (CHC). Axis is one of only a few organizations in Colorado with all three designations. Axis provides primary, oral, mental, substance use and pharmacy healthcare options. Since its inception, Axis has been growing along with the City of Durango and our region, working diligently to sustainably improve healthcare access and expand care for all community members.
Withdrawal Management (Detox)

- 24/7/365 Withdrawal Management
  - Withdrawal from substances
  - Mental health intervention
  - Resource referral and care coordination

- 50% of services provided at Detox are for City of Durango residents, on average.
Acute Treatment Unit (ATU)

- 24/7/365 Acute Psychiatric, Mental Health and Crisis Care

- 45% - 55% of people served at the ATU are City of Durango residents annually.

- Reduction in out-of-area hospitalization

- Improved outcomes through local intervention
The right people, in the right place, at the right time.

Partnership between Durango Police Department, Dispatch, and Axis

Risk Assessment, Intervention, and Referral

<table>
<thead>
<tr>
<th>2021 - 2022</th>
<th>2023 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,589 Total Calls for Service</td>
<td>839 YTD Total Calls for Service</td>
</tr>
<tr>
<td>• Treated at Community Level – 80%</td>
<td>• Treated at Community Level – 81%</td>
</tr>
<tr>
<td>• Arrests – 2%</td>
<td>• Arrests – 1.8%</td>
</tr>
<tr>
<td>• Medical/ED – 12%</td>
<td>• Medical/ED – 12%</td>
</tr>
<tr>
<td>• Legal Holds</td>
<td>• Legal Holds</td>
</tr>
<tr>
<td>• Voluntary 92%</td>
<td>• Voluntary 90%</td>
</tr>
<tr>
<td>• Involuntary 8%</td>
<td>• Involuntary 10%</td>
</tr>
</tbody>
</table>
“This is the first time I’ve actually believed that things could be better.”

- Patient
who explain our capacity and for that we are grateful. Simplifying wouldn't be able to provide the quality care we do without these community members in our care by walking and playing, and the professionals who care for the homeless, dogs and cats who are struggling in the kennel environment. And they help us with socializing and<br>
force multiple other ways. They foster animals – particularly nursing mothers and litters. The people of Durango and La Plata County are extraordinary supporters of our work and are<br>
months. They're available for adoption and when they're adopted – 30+ days on average, and often<br>
we are experiencing longer than historical times for animals in our care between the time<br>
animals that are not spayed and neutered.<br>
several root causes – changing economic and housing conditions, animal behavior issues and<br>we're on pace to exceed our 2022 surrenderers (documented already). We face that in and<br>the past two years we've seen a steady uptake in animal surrenders (owned and stray) and<br>regulations.<br>
respond to domestic animal incidents and issues, and provide enforcement of local laws and<br>Office (APOS) who work in concert with Durango Police and La Plata County Sheriff's Office to<br>several in a consistent basis. We also provide Animal Protection Services with Animal Protection<br>County for 52 years. We operate seven days a week and house upwards of 100 animals in our<br>The La Plata County Humane Society (LCHS) has served the City of Durango and La Plata<br><br>ORGANIZATION SUMMARY<br><br>October 3rd:
Following is the information you requested for City Council in advance of the Study Session on<br>We appreciate the opportunity to present our request for Community Funding for 2024.<br>

Dear Ms. Rupp:<br>

Durango, CO 81301
949 East 2nd Avenue
City of Durango Contracts Specialist
Ms. Marisa Rupp

September 15, 2023
Here is the bottom line: City funding and the actual cost of our operations has differed out of

revenue. The City provides $409K or 15 percent. The remaining $2.7M comes from the

mechanical and electrical components that must be maintained and replaced.

keep our facility clean and functioning we put a lot of wear-and-tear on the plumbing.

While we have a safe and sturdy building that’s fit for purpose, by virtue of the work we do to

building.

standards for shelter operations but we must have sufficient staff to care for the animals in our

excellent team of people who perform demanding work. We meet and exceed all the industry

Our hourly labor rates are competitive with other businesses in the area and we have an

our services. This includes: behavior, foster, medical, and building maintenance costs.

no area of operations where costs haven’t increased along with the increase in demand for

Here is the top line: City funding will continue to support shelter operations. There is literally

What will the Funding Support?

sales tax revenue to the City.

our thrift store that does an amazing job of sorting donated items and creating a

they choose will be successful in their homes.

and, our behavior team that assesses every animal that comes to us, works individually

2032 we had more than 1,500 animals in foster homes 100 percent of the time.

their progress until the animals are returned to us for adoption during the summer of

Foster coordinator who recruits candidates to foster animals, trains them and

they need them. Clean kennels and play yards and generally provide the loving human

Our kennel staff are the people with the most daily contact with the animals in our care.

Veterinary services that help reduce the animal population and keep pets healthy.

Our medical team that keeps a building full of healthy animals healthy and offers low cost

new pet

Our client services representatives who manage the admissions and appointments

plays a role in that:

have the best possible experience while they’re in our shelter. Literally every member of the staff

the staff at the Humane Society does Yeoman’s work every day for the animals in our care.

The trend of more animals being surrendered to shelters is not unique to our area. Shelters

across the country are experiencing the same challenges we are.
Decisions that affect the organization are discussed as a group, and all input is welcome and
Engaged & Collaborative Governance – we have a commitment to being an employer of
our employees by offering a safe, collaborative, and personally rewarding work environment.
We also strive to be an employer of choice that supports 
other future employment opportunities. We also strive to be an employer of choice that supports 
Affordability & Economic Opportunity – one of the largest employers in Durango (50-52)
community, can be proud of and rely on when they need it. 
Effective Infrastructure Network – LPCHS is a critical part of the infrastructure and safety net
regarding animals in the City and County by our Animal Protection Officers.
Enhanced Livability & Sense of Place – Durango and La Plata County have an evident public
and we conduct a financial audit every year.
Financial Excellence & High Performing Government – as a nonprofit, LPCHS leverages
the front range so very few items are discarded.
Environmental Sustainability & Resilience – Our Shelter Operations utilize donated and
developed with the City’s Strategic Plans.

The La Plata County Human Society is completely aligned with the City’s Strategic Plans.

ALIGNMENT WITH THE DURANGO STRATEGIC PLAN

30 percent. We will ask for a proportionate increase from the County as well.

The support from the City and County is critical to operating our services. We support
in order to move forward equitable financial responsibility we propose an increase from
control.

Understanding and documenting help a great deal. We are vulnerable in areas beyond our
unforeseen, but not only do we minimize the cost of care for our animals, we also reduce the financial impact on our animals.
County ($370K) proceeds from the adoption fees, the thrift store, fundraising and donations.

DEI – LPCHS exemplifies a commitment to DEI in every area of our operations.

Environmental Sustainability & Resilience – Our Shelter Operations utilize donated and
lated LPHCS leverages
Enhanced Livability & Sense of Place – Durango and La Plata County have an evident public
regarding animals in the City and County by our Animal Protection Officers.
environmental education about spaying and neutering and enforcement of laws
and we conduct a financial audit every year.
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Endorsements

CC: LPGHS Board of Directors
La Plata County Human Services
Executive Director
Tina Simpson

Very best regards,

We look forward to discussing our proposal on October 3rd:

For them and their families,

Then when they arrived and we support people who move on to new opportunities that are good

come for a season and move on. We strive to help people leave with more marketable skills

worked together for years, some who have gotten married and started families, many of whom

respected. We are very proud of the familial connection of our staff — some of whom have
Introduction: La Plata Youth Services (LPYS) was founded in 1994 by representatives from the community, area school districts, local governments, and state entities to provide a continuum of services to at-risk youth and their families in La Plata County. The agency serves as a resource to schools, law enforcement, courts, local human services departments, and other community agencies that come in contact with youth who are in need of additional support. All of our programs and services share the same goals of strengthening and enhancing a web of community and school-based supports for youth through strategic partnerships, increasing the well-being of youth, and decreasing barriers to accessing resources. As a result, data from La Plata County continues to show increased community safety, lower court caseloads, fewer youth in detention, and fewer youth sentenced to state juvenile facilities. Youth are referred to LPYS by schools, law enforcement agencies, the courts, and parents and youth themselves. Currently, LPYS offers the following three programs: 1) the LPYS Juvenile Diversion Program, 2) the Communities-in-Schools Partnership (CISP) Program, 3) the Radical Possibilities (RP) Mentoring Program, and we are exploring options to reimplement Restorative Practices. Additionally, LPYS serves as the backbone agency for the La Plata County Collaborative Management Program (LPC CMP), and as a founder, key partner, and program leader at the Hub Therapeutic Program (Hub). During summer months, LPYS works with other local youth serving agencies to support positive youth engagement programming for students, and this year we piloted a summer wilderness backpacking mentoring initiative to provide equitable outdoor access for all youth. Across the region, and in conjunction with the pandemic, we have witnessed a substantial rise in issues regarding youth mental health, housing security, and access to basic resources, and the requested funds will allow La Plata Youth Services to be at the forefront of addressing these community-wide crises.

Mission: La Plata Youth Services supports and advocates for youth facing challenges in school, home and court.

Vision: Our ultimate vision is that youth in La Plata County are empowered and have the support and resources they need to strengthen their well-being and engage positively in their community.

Core Values:
- **Social Justice**: we advocate for equity
- **Integrity**: we foster fair, honest relationships, and communication
- **Compassion**: we practice empathy and acceptance
- **Creativity**: we seek innovative ways to provide strength-based services
- **Collaboration**: we create progress by working together as a community

In 2022-2023, LPYS reached 481 students (duplicated) through our programs and partnerships with the Hub and the La Plata County CMP. In FY23, the Juvenile Diversion Program served 85 youth, and we
received of 90 referrals. Of these youth, 94% completed successfully and 93% did not reoffend while enrolled in the Diversion program. In addition, 38 youth and guardians participated in ReThinking Substances (RTS) for underage possession of marijuana or alcohol. The RTS program uses a restorative justice approach to help youth take accountability for their actions and develop an awareness of the impact their behavior has on their families and the community. With the closing of the Restorative Practices program, we anticipated, and experienced, an greater influx of Diversion referrals, and the program served the most youth in the history of LPYS. The Department of Criminal Justice, a larger partner of the Diversion Program, recently completed a funding reallocation, and LPYS will receive lesser money moving forward, and the request from the City of Durango will allow our agency to meet the continually evolving, and growing, needs among youth and families.

Of the youth referred to the LPYS Juvenile Diversion Program in FY23, 67 youth (or 74%) were referred by the Durango Police Department and/or Durango Municipal Court. The LPYS Juvenile Diversion Program is voluntary, and our intention is to support youth in building the skills, responsibility, and community connection in order to not reoffend. Program services for each youth range from three to six months.

**Target Population:** Services outlined in this contract are intended to reach students who are City residents and/or are referred to the LPYS Diversion Program by the Durango Police Department and/or Durango Municipal Court in 2023-24.

**Scope of Services:**
- Screening and intake assessment
- Individualized case plan development
- Behavioral health and mental health services
- Connection to and supervision of service learning
- Connection to pro-social activities and programs
- Competency-based services including classes, workshops, research
- Comprehensive school supports and collaboration
- Therapeutic mentoring
- Resource allocation
- Robust internships support upcoming County professionals
- Crisis management
- Referral and resource networking
- Restorative justice including family and victim-offender mediation, ReThinking Substances (RTS), and victim empathy classes
- Resource to City staff for youth-related issues

**Alignment with City of Durango Strategic Plan:** The City of Durango is committed to collaborating with regional partners to improve the quality of life for our entire community. For nearly 30 years, LPYS has
collaborated with the City of Durango to provide critical services and support to youth and families. Our programs focus on increasing protective factors, building resiliency, and improving overall well-being so youth can continue to be positive and engaged members of our community. Our services also directly contribute to the City of Durango’s priority to “enhance livability and sense of place” as LPYS works collaboratively with Durango law enforcement, community-based agencies, and the court system to increase community safety. Lastly, one of LPYS’ core values is social justice, and our agency has embedded principles of Diversity, Equity, and Inclusivity into our foundation, advocating for marginalized populations throughout La Plata County. We truly appreciate this continued partnerships with the City of Durango.

Please reach out with any further questions...we greatly appreciate this partnership.

Regards,

Jason St. Mary, PhD, MSW
Executive Director - La Plata Youth Services
Program Director - The Hub Therapeutic Program
2024 CITY OF DURANGO
COMMUNITY SUPPORT FUNDING
PROPOSAL
OUR PROCESS

Create and Post Application
Collect and Organization Submissions
Recruit and Manage Volunteer Committee
Coordinate with Committee for Review
Schedule and Conduct Applicant Interviews
Facilitate Committee Deliberation
Present Committee Recommendations to Council
Notify All Applicants of Funding Decisions
Process and Distribute Grant Awards Monthly
Create and Manage Year-End Grant Report
HISTORICAL CSF AWARDS

Please refer to the “Historical Funding” spreadsheet provided

CSF awards have changed only 2x in the last 7 years
*decrease in 2019
*increase last year (2023) by $45,000

However, need (asks) continue to increase each year
*2019 had application restrictions that disqualified many applicants

5-Year Average Funding Gap
$-107,100 (gap between requested funds and available funds)

Anticipated funding requests for 2024:
Over $400,000
PROPOSAL

We are asking for help closing the funding gap this year. We plan to do this by:

- **Increasing** total CSF funding to $368,500 (+$103,500)
- **Decreasing** UWSWC’s admin fee slightly from 5.66% to 5.02% (historically 6%)

This will make $350,000 available to grant out to our local non-profits, whose expenses and needs continue to grow with our population, and with inflation.

More than $400,000 in requests is expected again for 2024.
MORE CSF $ = MORE $ IN DURANGO

See “2023 Leveraged Funds” spreadsheet provided

Surveyed 2023 recipients, 19 of 28 responded

Of those 19 respondents, 15 used CSF leveraged funds, which brought in more than $2.1MM additional dollars into the City of Durango in 2023

CSF dollars are imperative to the health of the Durango community. An increase in CSF funds means an increase in total dollars going directly toward basic needs services
THANK YOU!

Elise Savastano
Vice President of Operations, UWSWC
elises@unitedway-swco.org

Lynn Urban
President & CEO, UWSWC
lynnu@unitedway-swco.org
## City of Durango Community Support Funding Historical Data

<table>
<thead>
<tr>
<th>Funding Year</th>
<th>2023</th>
<th>2022*</th>
<th>2021*</th>
<th>2020*</th>
<th>2019*</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Requests</td>
<td>$407,600</td>
<td>$364,500</td>
<td>$291,750</td>
<td>$350,853</td>
<td>$188,750</td>
<td>$244,130</td>
<td>$358,373</td>
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<tr>
<td>Human Services Requests</td>
<td>$407,600</td>
<td>$330,500</td>
<td>$256,250</td>
<td>$304,450</td>
<td>$188,750</td>
<td>$244,130</td>
<td>$358,373</td>
</tr>
<tr>
<td>Total Available</td>
<td>$250,000</td>
<td>$206,800</td>
<td>$206,800</td>
<td>$206,800</td>
<td>$130,000</td>
<td>$206,800</td>
<td>$206,800</td>
</tr>
</tbody>
</table>

* Arts and Culture orgs allowed to apply
* Additional funding restrictions were in place for this year only
### 2023 Leveraged Funds

<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>2023 Leveraged Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 the Children</td>
<td>$682,000.00</td>
</tr>
<tr>
<td>Alternative Horizons Corporation</td>
<td></td>
</tr>
<tr>
<td>Animas Alano Club</td>
<td></td>
</tr>
<tr>
<td>BBBS of SW Colorado</td>
<td></td>
</tr>
<tr>
<td>Boys &amp; Girls Club of La Plata County</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>Collaborative Management Program (CMP)</td>
<td>$100,000.00</td>
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<tr>
<td>Community Connections, inc.</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Durango Adult Ed</td>
<td>$229,481.00</td>
</tr>
<tr>
<td>Durango Food Bank</td>
<td>$25,000.00</td>
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<tr>
<td>Housing Solutions for the SW</td>
<td>$495,000.00</td>
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<tr>
<td>Know Your Dough</td>
<td>$14,500.00</td>
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<tr>
<td>La Plata Family Centers Coalition</td>
<td>$30,000.00</td>
</tr>
<tr>
<td>Manna- The Durango Soup Kitchen</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>SCAPE</td>
<td>$50,000.00</td>
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<tr>
<td>Southwest Conservation Corps</td>
<td>$40,000.00</td>
</tr>
<tr>
<td>The Arc of Southwest Colorado</td>
<td></td>
</tr>
<tr>
<td>The Grief Center of Southwest Colorado</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>The Hive DGO</td>
<td>$50,000.00</td>
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<tr>
<td>Volunteers of America, Durango</td>
<td></td>
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<tr>
<td>Community Shelter and Southwest Safehouse</td>
<td>$80,000.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$2,105,981.00</td>
</tr>
</tbody>
</table>
TO: DURANGO CITY COUNCIL
FROM: EVA HENSON, HOUSING INNOVATION MANAGER

SUBJECT: RESIDENCES AT DURANGO (AFFORDABLE HOUSING) UPDATE - AEO

SUMMARY
This item is an informational update about the Residences at Durango, formerly the Best Western Motel located at 21382 US 160, including a financial update regarding forthcoming modifications to the financing structure regarding $4 million in federal grants, timeline of the project including issuance of building permits and construction commencement, to deployment of these grant funds to keep the development on track to create 120 affordable housing units in Durango.

The overarching goal of this project aligns with Strategic Plan goals of Affordability & Economic Opportunity, Financial Excellence & High Performing Government, and Enhanced Livability & Sense of Place. Staff has worked collaboratively with the development team, legal counsel, Department of Local Affairs (DOLA), Housing and Urban Development Office (HUD), and other departments to steward this project forward as an innovative adaptive reuse that, TWG Development, LLC, will develop and rehabilitate the existing 72-room motel and construct 48 new units, resulting in a 120-unit vibrant affordable housing apartment (rental) community. The development will serve households earning 30% to 60% of the Area Median Income (AMI) with a mix of studios, one-bedroom, two-bedroom and three-bedroom units.

Max Rent – 2023 La Plata

<table>
<thead>
<tr>
<th>30% AMI</th>
<th>Studio</th>
<th>1-bedroom</th>
<th>2 bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>$24,960 2 person</td>
<td>$546 month</td>
<td>$585 month</td>
<td>$702 month</td>
</tr>
<tr>
<td>60% AMI</td>
<td>$49,920 2 person</td>
<td>$1,092 month</td>
<td>$1,170 month</td>
</tr>
</tbody>
</table>

At the Study Session, staff will briefly describe:
- Project overview
- Project financing and proposed modification to federal grant financing structure
- Project timeline and next steps

The goal of this Study Session is to inform Council of the project progress regarding the Residences at Durango and how the project will help achieve Council goals. Staff will be available to answer any clarifying questions from Council. The forthcoming modifications to the financing grant structure will be presented to City Council at the October 3, 2023, Regular Meeting followed by formal action from the City Council via resolution.

BACKGROUND
Residences at Durango is the first hotel-to-residential conversion in the state to utilize low-income housing tax credit financing and is the largest tax credit project in Southwest Colorado. In the fall of 2021, the City of Durango actively facilitated the purchase by initiating a real estate offer to accomplish housing goals. While searching for the right development partner, the City approved a resolution and appropriated funding for $70,000 earnest money and $50,000 for due diligence work to ensure the project could be completed.
The Best Western Motel was offered for sale and the City of Durango, in partnership with local housing consulting firm Project Moxie, submitted a $7 million offer to purchase agreement for the hotel. The city then issued a Request for Proposal (RFP) and selected TWG Development, LLC, a real estate development company headquartered in Indianapolis with a presence throughout the U.S. The contract was then transferred to TWG in February 2022 and TWG Development, LLC reimbursed the city in whole for the expenses of earnest money and due diligence costs. They successfully completed the purchase of the Best Western in November 2022 with a $ million Department of Housing Operation Turnkey Loan.

The anticipated development costs are estimated to be $35 million and there are various additional funding sources and key partnerships such as, Division of Housing, Housing Authority of the County of Montezuma, $18 Million in Private Activity Bond Allocations from the City of Durango, La Plata County, and Colorado Housing and Finance Authority.

Meanwhile the City of Durango submitted a $9 million request in June 2021 for Congressional Directed Spending (CDS) and was selected in July 2022 by the U.S. Department of Housing and Urban Development (HUD) to apply for this funding opportunity. The city received the $3 million grant agreement from HUD in October 2022 that provided a pivotal funding gap.

The City also took formal action with approval of resolutions to assign the City’s 2021 ($1,059,415), 2022 ($1,054,581), and most recently 2023 ($1,161,275) Private Activity Bond allocation to the Colorado Housing and Finance Authority on behalf of the Residences at Durango project.

TWG Development will utilize Private Activity Bonds and 4% low-income housing tax credits (LIHTC) provided by the Colorado Housing and Finance Authority, as well as a $3 million Congressional funds appropriation spearheaded by Senators Bennet and Hickenlooper. The city also pursued HB21-1271 Affordable Housing Development Incentives Grant Program (IHOI) and was awarded $1 million for development fees and construction costs. Council has taken formal action on both the grants with resolutions to authorize the appropriation to the housing fund.

The combined grants total $4 million, which are federal funds, and will use the $3 million Congressional funds to pay down a portion of the $7 million Housing Operation Turnkey loan from DOLA for acquisition costs and the $1 million IHOI grant funds will be used to pay for development fees and construction costs upon issuance of building permits.

To keep the project on track with issuance of building permits this fall, TWG Development, LLC has requested the City modify the financing structure of the $4 million federal grants to be a loan by the City of Durango to TWG Development, LLC to avoid the grant funds being subject to 40% federal taxes.
which would negatively impact the project’s financing and prevent the project from moving forward. This loan financing structure is common in Low Income Housing Tax Credit (LIHTC) projects developed by for-profit entities by utilizing a non-profit tax-exempt partner, in this case utilizing the City of Durango who is tax exempt, to legally modify the financing structure to a loan to ensure the entire $4 million is directly put into the project to offset costs. HUD and DOLA have confirmed the loan structure won’t impact the current grant agreements with the city and the grant agreements will not need to be amended.

Upon approval and execution of these soft loan documents, TWG Development LLC, would pay their development fees in whole and building permits could be issued, and would also allow the financial closing for the project with Colorado Housing and Finance Authority shortly thereafter. Staff has included for Council two flow charts to help with the explanation of these complex loan agreements. (Attachment 2 & 3)

**STRATEGIC PLAN ALIGNMENT**

This initiative applies primarily to the **Affordability & Economic Opportunity (AEO)** objective in the Strategic Plan while also addressing elements of the **Enhanced Livability & Sense of Place (ELSP)** and the **Financial Excellence & High Performing Government (FEHPG)** objectives.

**AEO**

1. Create housing opportunities to support a multigenerational & mixed-income community workforce and increase affordability to bridge the disparity between income and home/rental prices

   1.1 Identify and commit resources and revenue towards implementing a long-term plan that encourages housing opportunities for mixed income demographics with an emphasis on workforce housing.

   1.2 Support the production of a variety of housing types through incentives, partnerships, efficient review processes, and other mechanisms with a particular emphasis on middle-income housing.

**ELSP**

1.1. Improve community health and well-being by promoting a safe community where people can live, work, and play by strengthening community involvement in resident safety.

**FEHPG**

1.1 Identify partnership opportunities to leverage dollars, capacities, and efficiencies, including grants and volunteers to offset city expenditures.

**FISCAL IMPACT**

These loan agreements will assist the deployment of $4 million in federal grant funds, that were originally subject to federal taxes, and modify the financial structure to ensure that all the grant funds will directly go towards *Residences at Durango* project acquisition and construction costs to create 120 affordable housing units.

**NEXT STEPS AND TIMELINE**

At the October 3, 2023, City Council Regular Meeting staff will bring before council a Resolution for Consideration and approval of financing structure modification for the $1 million IHOI grant funds and $3 million Congressional funds for the *Residences at Durango* and authorize the mayor and city manager to execute the various loan agreements.

Once the loan agreements are executed, TWG Development, LLC will be able to pay their development fees and building permits can be issued. A groundbreaking event is scheduled for Friday, October 27, 2023, at 10 a.m. at the motel site located at 21382 US 160, Durango, Colorado.

The City of Durango opted into Proposition 123 in July and have an approved baseline commitment to create 184 affordable units over the next three years. Once building permits are issued for the
*Residences at Durango*, staff will be able to submit to the state that this project meets the criteria for at or below 60% AMI for rental. Proposition 123 guidelines for local government is the units are counted at time of building permit issuance and not when the project is construction completed or certificates of occupancy issued. The *Residences at Durango* 120 units is 65.22% of the City’s 184 baseline commitment.

This is the first affordable housing development in the Highway 160 West corridor and will provide much needed affordable units in a mixed-use neighborhood within a one mile of downtown Durango. Renovation work will begin in Winter 2024 with completion in late 2024/early 2025.

**ATTACHMENTS**

1. *Residences at Durango* Power Point Presentation
2. IHOI Loan Flow Chart
3. HUD Congressional Funds Loan Flow Chart
Residences at Durango
(Affordable Housing)
Update

EVA HENSON, HOUSING INNOVATION MANAGER | SCOTT SHINE, COMMUNITY DEVELOPMENT DIRECTOR

STRATEGIC PLAN GOALS:
AEO, ELSP, FEHPG
Mission (Why we exist)
“The City of Durango and our employees provide, efficient city services, effectively maintain city assets and manage growth, are accountable, ethical, fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.”

Vision (What we want to be)
“Durango is an authentic, diverse, multigenerational, and thriving community. Our Residents value and enjoy our unique natural environment and benefit from the management of our City’s resources in a fiscally responsible, environmental, and socially sustainable manner.”

Values (What we believe in)
Teamwork | Dependability | Professionalism | Service | Respect | Innovation | Well-Being

PURPOSE
PROVIDE INFORMATIONAL UPDATE FOR RESIDENCES AT DURANGO INCLUDING:

- FORTHCOMING MODIFICATIONS TO FINANCING STRUCTURE
- PROJECT TIMELINE
- GROUNDBREAKING EVENT
These initiatives apply primarily to the **Affordability & Economic Opportunity (AEO)** objective in the Strategic Plan while also addressing elements of the **Enhanced Livability & Sense of Place (ELSP)** and **Financial Excellence & High Performing Government (FEHPG)** objectives.
City put the Best Western under contract and then released a Request for Proposals for an affordable housing developer.

City selected TWG Development, LLC, a real estate development company headquartered in Indianapolis with presence in Colorado.

City assigns TWG Development, LLC real estate contract and is reimbursed earnest money and due diligence expenses.

- **ADAPTIVE REUSE**
- **REHAB EXISTING 72 HOTEL ROOMS**
- **CONSTRUCT 2 ADDITIONAL BUILDINGS 48 NEW UNITS**
- **CREATE 120 AFFORDABLE UNITS**
- **30% TO 60% OF THE AREA MEDIAN INCOME OR LESS**
<table>
<thead>
<tr>
<th>AMI</th>
<th>Studio</th>
<th>1-Bedroom</th>
<th>2-Bedroom</th>
<th>3-Bedroom</th>
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<tbody>
<tr>
<td>30%</td>
<td>$24,960</td>
<td>$546</td>
<td>$585</td>
<td>$702</td>
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<tr>
<td></td>
<td>2 person</td>
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<tr>
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<td>$49,920</td>
<td>$1,092</td>
<td>$1,170</td>
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</tr>
<tr>
<td></td>
<td>2 person</td>
<td>month</td>
<td>month</td>
<td>month</td>
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</table>

2023 LA PLATA MAXIMUM RENT TABLE
### AFFORDABLE HOUSING DEVELOPMENT INCENTIVES GRANT (IHOI)

<table>
<thead>
<tr>
<th>$1 MILLION IHOI GRANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• HB21-1271 DEPARTMENT OF LOCAL AFFAIRS</td>
</tr>
<tr>
<td>• GRANTED TO CITY FOR PROJECT</td>
</tr>
<tr>
<td>• GRANT AGREEMENT EXECUTED BY CITY</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>MODIFICATION TO FINANCING STRUCTURE</th>
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</thead>
<tbody>
<tr>
<td>• IHOI FUNDS LENT FROM CITY TO TWG, LLLP</td>
</tr>
<tr>
<td>• PURSUANT TO LOAN AGREEMENT</td>
</tr>
<tr>
<td>• PROMISORY NOTE</td>
</tr>
<tr>
<td>• DEED OF TRUST</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>• PURSUANT TO LOAN AGREEMENT FUNDS FROM CITY TO TITLE COMPANY</td>
</tr>
<tr>
<td>• PAY DEVELOPMENT FEES FOR PERMITTING</td>
</tr>
<tr>
<td>• REMAINING FUNDS FOR CONSTRUCTION COSTS</td>
</tr>
<tr>
<td>• TERMS</td>
</tr>
</tbody>
</table>
$3 MILLION CONGRESSIONAL FUNDS GRANT

- 2021 CONGRESSIONAL DIRECT SPENDING
- SENATOR HICKENLOOPER & SENATOR BENNET
- FUNDS GRANTED BY HOUSING & URBAN DEVELOPMENT (HUD)
- GRANT AGREEMENT EXECUTED BY CITY

MODIFICATION TO FINANCING STRUCTURE

- CONGRESSIONAL FUNDS LENT FROM CITY TO TWG, LLLP
- PURSUANT TO LOAN AGREEMENT
- PROMISORY NOTE
- DEED OF TRUST

LOAN

- PURSUANT TO LOAN AGREEMENT FUNDS FROM CITY TO TITLE COMPANY
- PAY OFF PORTION OF ACQUISITION LOAN TO DEPARTMENT OF LOCAL AFFAIRS (DOLA)
- TERMS
## PROJECT TIMELINE

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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</thead>
<tbody>
<tr>
<td>FEB. 2022</td>
<td>City assigns real estate contract to TWG Development, LLC</td>
</tr>
<tr>
<td>FEB. 2022</td>
<td>City assigns 2021 &amp; 2022 private activity bond allocation</td>
</tr>
<tr>
<td>OCT. 2022</td>
<td>City awarded $3 million congressional funds</td>
</tr>
<tr>
<td>NOV. 2022</td>
<td>TWG acquires Best Western Motel</td>
</tr>
<tr>
<td>NOV. 2022</td>
<td>City awarded $1 million IHOI grant funds</td>
</tr>
<tr>
<td>SEPT. 2023</td>
<td>City assigns 2023 private activity bond allocation</td>
</tr>
<tr>
<td>OCT. 2023</td>
<td>City modification to financing structure &amp; <strong>Issuance of building permits</strong></td>
</tr>
<tr>
<td>NOV. 2023</td>
<td>Construction commences</td>
</tr>
<tr>
<td>EARLY 2025</td>
<td>Construction completed</td>
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</tbody>
</table>
PROPOSITION 123

CITY BASELINE COMMITMENT OVER THE NEXT 3 YEARS = 184 UNITS

BUILDING PERMITS ISSUED TO CREATE 120 AFFORDABLE UNITS “RESIDENCES AT DURANGO” = 65%

PROP 123 BASELINE MET
GROUNDBREAKING EVENT

RESIDENCES AT DURANGO

WHERE: 21382 US HWY 160
WHEN: FRIDAY, OCTOBER 27TH at 10:00 AM
$1,000,000 in IHOI Funds from the Colorado Department of Local Affairs (DOLA)

IHOI Funds granted from DOLA to the City of Durango pursuant to the State of Colorado Intergovernmental Grant Agreement for SLFRF

IHOI Funds lent from the City of Durango to Durango TWG, LLLP pursuant to the Loan Agreement, Promissory Note and Deed of Trust between the City of Durango and Durango TWG, LLLP

Pursuant to the Loan Agreement the Loan Funds will flow from the City of Durango to the title company to than pay the development fees that will be owed to the City of Durango as part of the permitting process for the project. Any remaining amount above these fees will pay construction costs incurred by the project owner.

The terms of the Loan Document provide that the term will be for 40 years with a payment of all interest, which is proposed as 1% and principal due at that point. We are also proposing a Purchase Option Arrangement pursuant to which TWG Development, LLC will be able to purchase the loan from the City of Durango for the loan's Fair Market Value.

The Deed of Trust that secures the IHOI Loan will be recorded against the property to secure City of Durango’s interest as a lender. The Deed of Trust will need to be subordinate to the both Colorado Housing and Financing Authority’s (“CHFA”) Low Income Housing Credit Restrictive Covenant and CHFA’s Deed of Trust securing its senior construction loan.
$3,000,000 in Congressional Funds from U.S. Department of Housing and Urban Development (HUD)

Congressional Funds Granted from HUD to the City of Durango pursuant to the Amended and Restated Grant Agreement Fiscal Year 2022 Community Project Funding Grant B-22-CP-CO-0181

Congressional Funds lent from the City of Durango to Durango TWG, LLLP pursuant to the Loan Agreement, Promissory Note and Deed of Trust between the City of Durango and Durango TWG, LLLP

Pursuant to the Loan Agreement the Loan Funds will flow from the City of Durango to the title company to than pay off a portion of the Operation Turn Key Loan that Durango TWG, LLLP received from the Colorado Department of Local Affairs (DOLA) and used to acquire the project site. The intent here will be that these loan proceeds go directly from the title company to DOLA

The terms of the Loan Document provide that the term will be for 40 years with a payment of all interest, which is proposed as 1%, and principal due at that point. We are also proposing a Purchase Option Arrangement pursuant to which TWG Development, LLC will be able to purchase the loan from the City of Durango for the loan’s Fair Market Value.

The Deed of Trust that secures the Congressional Loan will be recorded against the property to secure City of Durango’s interest as a lender. The Deed of Trust will need to be subordinate to the both Colorado Housing and Financing Authority’s (“CHFA”) Low Income Housing Credit Restrictive Covenant and CHFA’s Deed of Trust securing its senior construction loan.