

M E M O R A N D U M

TO: Honorable Chair and Members of the Board of County Commissioners

FROM: Joe Kerby, County Manager

RE: 3227 Chase Street Affordable Housing

Date: 6/10/2025

Staff Recommendation:

WHEREAS, Seniors' Resource Center, Inc. (SRC) is a nonprofit corporation that provides a variety of services benefiting older citizens, including an adult day center located at 3227 and 3251 Chase Street in Wheat Ridge, where older adults can come to SRC for the day to participate in activities, various in-home services like home upkeep and caretaker respite services;

WHEREAS, the County has supported SRC at 3227 Chase Street, Wheat Ridge, Colorado (the "Property") since at least 1982, when the County first leased a portion of its building on the Property to SRC and, by a Corrected Commissioner's Deed dated April 18, 2006, recorded with the Clerk and Recorder at Reception No. 2006048674 (the "Deed"), transferred title to the Property to SRC for a nominal fee;

WHEREAS, the Deed contained a use restriction and reversionary clause stating that the Property shall be used only for a public senior services center, a county public library or for any other public purpose and that the Property would revert to the County if it were used for any other purpose (the "Reverter");

WHEREAS on January 11, 2006, SRC entered into a 99-year lease with Jefferson County Public Library for a portion of the Property (the "Lease"), which Lease was recorded with the Clerk and Recorder at Reception No. 2010074457.

WHEREAS, SRC is now considering selling or leasing the Property, or a portion

of the Property, to be developed for affordable rental housing for seniors, with 100% of the rental units restricted to senior households earning, on average, less than 60% of Area Median Income (AMI) for a period of forty years (the "Project");

WHEREAS, SRC has requested (a) confirmation that the Project would not violate the Reverter, and (b) that the County agree to subordinate the Reverter to a deed of trust to be placed on the Property at a later date securing the Project's financing (the "Deed of Trust"); and

WHEREAS, the Board of County Commissioners of Jefferson County (BCC) recognizes that given the business model utilized in the affordable housing industry, lenders which finance these projects routinely require subordination to use restrictions on the property and this Project will not be financed unless the Reverter is subordinated to the Deed of Trust; and

WHEREAS, the BCC understands that once the financing is in place there is a slight risk that the Deed of Trust will be foreclosed, which may then extinguish the Reverter; and

WHEREAS, the BCC believes that given the tax credits with which the Project will likely be financed and the level of experience of the developer with whom SRC hopes to partner, the chance that the Deed of Trust will be foreclosed is quite minimal; and

WHEREAS, the BCC sees a very strong need for senior affordable housing in the County and senior affordable housing initiatives are rare; and

WHEREAS, the BCC supports affordable housing initiatives and SRC, and very much wants to see affordable housing in this part of the County and understands that unless the Reverter is subordinated to the Deed of Trust, the Project will not go forward.

NOW, THEREFORE, BE IT RESOLVED THAT the BCC finds that the Project would not violate the Reverter and would be an acceptable use under the Deed, provided the following requirements are satisfied:

1. 100% of the rental units remain income-restricted for senior households earning, on average, 60% or less of AMI; and

2. The Project does not affect the Jefferson County Public Library's rights under the Lease, and that the Lease remains in full force and effect unless otherwise agreed to by the parties to the Lease; and
3. SRC supports a request to the City of Wheat Ridge that the County receive partial credit towards its Proposition 123 affordable housing commitment due to the County's transfer of the Property to SRC for public purposes; and

NOW THEREFORE, the BCC 1) authorizes the Chair of the Board to execute a document which subordinates the Reverter to a financing Deed of Trust and any documents related to such Subordination; and 2) authorizes the County Attorney's Office to cause the Subordination and any related documents to be recorded in the Jefferson County Clerk and Recorder's Office; and

BE IT FURTHER RESOLVED that if any portion of the Property ceases to be put to an acceptable public purpose use under the Deed at any time, the owner of the Property may request that the County release the Reverter as to that portion of the Property in exchange for a monetary payment. The BCC will determine the payment required to release the Reverter as to the affected portion of the Property, such that the County is fully and adequately compensated for its original investment in the affected portion of the Property, and upon payment of that sum, the County will release the Reverter as to the affected portion of the Property. If the Reverter is not released as to the affected portion of the Property, ownership of the Property will revert to the County in accordance with the terms of the Reverter.

BE IT FURTHER RESOLVED that the BCC finds that this Resolution affects title to the Property and will therefore be recorded in the Jefferson County Clerk and Recorder's Office.

BE IT FURTHER RESOLVED that the Chair of the BCC or, in the absence of the Chair, any other member of the BCC, is authorized to execute and deliver any instruments and to take any actions as are required to carry out and give effect to this Resolution.

Resolution No: CC25-152

Background:

In 1979, the County purchased 3227 Chase Street for approximately

\$75,000 from Jefferson County Public Schools. The property had an existing building on it, which had been used as an elementary school previously. Beginning in 1982, the County leased the East Wing of this building to Senior Resource Center ("SRC") to use as a senior services center, and the West Wing of the building to the Jefferson County Public Library to use as their Wheat Ridge Library facility. This continued for the next 20+ years.

In 2004, SRC purchased 3251 Chase Street, the lot immediately to the north of 3227 Chase Street. In or around 2005, SRC approached the County for assistance with a proposed expansion of their facility to meet their growing needs. SRC wanted to build a new facility covering both the 3227 and 3251 lots and, in order to secure financing for the construction, SRC needed to own the 3227 Chase Street property outright. In early 2006, the County agreed to deed the 3227 Chase Street property (estimated value of \$1,495,050) to SRC for the nominal sum of \$10.00.

The deed, which is the Corrected Commissioner's Deed dated April 18, 2006, contained a use restriction and reversionary clause stating that: "The property herein quitclaimed shall be used only for a public senior services center, a county public library or for any other public purpose. In the event that the property is used for any other purpose, then the property shall revert to the County and this deed shall be null and void."

Upon execution of the commissioner's deed, SRC entered into a 99-year, zero-dollar lease with Jefferson County Public Library to lease the library of about 6500 square feet of the building to continue to serve as its Wheat Ridge library location (the library has a different address – 5475 West 32nd Avenue – but is in the same building). This lease is still in effect for another 78 years.

SRC is considering selling or leasing the property for affordable housing purposes. SRC sent a letter to the County on January 21, 2025 and briefed the BCC on February 25, 2025, describing its affordable housing proposal to include the following

- That SRC is hoping to partner with an experienced affordable housing developer who will build a new apartment building on the property.
- That 100% of the apartment units would be income-restricted for senior households earning an average of 60% of AMI.
- That SRC expects these affordability restrictions to be in place for 40 years.

- SRC also confirmed that their planned development would not interfere with the library's rights under its 99-year lease and that, if the property were sold, SRC would require the buyer to honor the library's rights.
- That SRC would work with our county community development office on a couple items that they requested, including supporting a request to the City of Wheat Ridge that the County receive partial credit towards its Prop 123 housing commitments.

SRC requests a letter or resolution from the BCC to clarify that affordable housing that includes the above elements meets the public purpose intent and does not trigger the reversionary clause in the deed and also requests that the Board approve a Subordination of the Reverter to the Deed of Trust which encumbers the Property for purposes of financing the project.

Fiscal Impact: None

BCC Briefing Presented on: 2/25/2025

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