

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 10/10/2022 _____

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other:

2. **Title:** (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Amends ECLT Morrison Condos LLC loan agreement under HOST contract control #HOST-202264231 in the amount of \$1,800,000 to change the funding source from Community Development Block Grant to property tax.

3. **Requesting Agency:** Department of Housing Stability

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Jennifer Balkcom	Name: Derek Woodbury, Sabrina Allie
Email: Jennifer.Balkcom@denvergov.org	Email: Derek.woodbury@denvergov.org ; sabrina.allie@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

This amendment request is to change the source of funding. The original funding source for the loan agreement was the Community Development Block Grant (CDBG). HOST was not able to close on the loan agreement as planned due to last minute concerns from the Department of Housing and Urban Development (HUD). HUD is requiring further testing of the site prior to granting approval to use CDBG funds for this project. Given the strict timeline of this acquisition, HOST needs to be able to close on this agreement as soon as possible. Given the uncertainty of the amount of time it will take to complete the retesting that HUD is asking for, we are seeking to change the funding source to property tax.

The site being acquired by Elevation Community Land Trust (ECLT) includes five residential spaces and six commercial units on the corner of Morrison Road and S. Perry St. The total acquisition request is \$1,800,000. HOST's covenant will require a minimum of 36 bedrooms in the final redevelopment of the property to justify HOST's funding. The planned unit mix is not yet known as ECLT intends to complete a community engagement process prior to committing to the unit mix. HOST will structure the loan as a short-term acquisition bridge loan with a balloon that will convert to a performance loan when redevelopment begins upon meeting the conditions for conversion to HOST's satisfaction. ECLT and BuCu West are partnering on the acquisition, stabilization, and community-centered redevelopment of the property. ECLT and BuCu West are entering into an MOU through which they will jointly own and manage the property. ECLT will acquire the property and convert the residential and commercial portions of the main property to condominiums following acquisition. BuCu West will acquire the commercial condominium units from ECLT. ECLT will retain ownership of the residential condominiums, the duplex, and the land underlying the site. ECLT and BuCu West will jointly undertake immediate health, safety and welfare improvements for the residential and commercial units and stabilize rents for existing tenants. ECLT will manage the residential units, and BuCu West will manage the commercial units. After extensive community engagement, ECLT and BuCu West will redevelop the site and sell all residential units as affordable homeownership units while BuCu West will transition ownership of the commercial condominiums to tenant or local legacy businesses restricted to be affordable in perpetuity.

6. City Attorney assigned to this request (if applicable):

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

7. **City Council District:**
District 3

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):
Loan Agreement

Vendor/Contractor Name:
ECLT Morrison Condos LLC

Contract control number:
HOST-202264231-01

Location:
Morrison Road & S. Perry St.

Is this a new contract? Yes No Is this an Amendment? Yes No If yes, how many? 1

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):
Initially 4 years with one 1-year extension, converts to 99 years. Acquisition bridge with balloon, converting to performance.

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
<i>(A)</i>	<i>(B)</i>	<i>(A+B)</i>
\$1,800,000	N/A	\$1,800,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
Borrower must satisfy all conditions set forth in this loan agreement on or before June 22, 2023	N/A	Borrower must satisfy all conditions set forth in this loan agreement on or before June 22, 2023

Scope of work:

The Morrison Road site currently consists of 5 residential units made up of 3 units in the mixed-use building and 2 units in a residential duplex north of the mixed-use building. Until redevelopment, the rental units will be restricted to 3 units at or below 80% AMI. Once the redevelopment is complete, all residential units will be sold to affordable homebuyers at or below 80% AMI.

Was this contractor selected by competitive process? N/A If not, why not? N/A

Has this contractor provided these services to the City before? Yes No

Source of funds:
Property Tax

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

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Who are the subcontractors to this contract? N/A

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Date Entered: _____