

# ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **9:00am on Friday**. Contact the Mayor's Legislative team with questions

Date of Request: 1/9/2024

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.)

Approves the funding agreement between the City and County of Denver and Elevation Community Land Trust in the amount of \$1,600,000 to assist with the acquisition of a property which currently contains nine dwelling units to be subsequently redeveloped to contain at least ten affordable for-sale units. (HOST-202371985).

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: Laura Allen Hatcher	Name: Christopher Lowell
Email: <a href="mailto:Laura.Allen-hatcher@denvergov.org">Laura.Allen-hatcher@denvergov.org</a>	Email: <a href="mailto:Christopher.Lowell@denvergov.org">Christopher.Lowell@denvergov.org</a>

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

This request is for \$1,600,000 to assist with the acquisition of a property located at 1523 & 1551 Verbena Street, Denver, Colorado, which currently contains nine rental dwelling units. The property will initially be used as affordable rental housing for the nine (9) existing dwelling units but will subsequently be redeveloped so that the property contains at least ten (10) affordable for-sale units that will be sold at prices affordable to low-to-moderate income households.

Elevation Community Land Trust (ECLT) is requesting \$1,600,000 to acquire two adjacent properties located on Verbena Street in the East Colfax neighborhood, for the purpose of creating permanently affordable homeownership opportunities in Denver. The funds will be used for the acquisition of real property (buildings and land) and the associated acquisition costs, including due diligence, broker fees, title and other closing costs. Through the redevelopment of these properties, ECLT will provide access to homeownership for low- to moderate-income households, while ensuring that the homes remain permanently affordable to benefit future generations (renewable 99-year residential land lease).

ECLT estimates that they can develop 10-15, 2 & 3 bedroom Townhomes on the site. ECLT will operate the 9 existing rental units as affordable rentals until the redevelopment plan is approved by HOST. If units turn over during that time, new tenants will be verified at or below 80% AMI.

ECLT is prepared to relocate tenants according to URA (Uniform Relocation Assistance and Real Property Acquisition Policies Act) as required by ARPA funding. ECLT will work with tenants who are ready to purchase a home within the Verbena project, ECLT's portfolio in the East Colfax neighborhood, or otherwise provide them with URA compliant relocation services and appropriate alternative rental housing.

ECLT is investigating the use of modular building as the construction method for this site and is committed to including energy-efficiency strategies, visitability (anyone using a wheelchair or other mobility device should be able to visit) standards as much as feasible, and will follow all required accessibility requirements under City-code and HUD Section 504. And, as typical of their approach, they will consider working with an emerging minority developer.

*To be completed by Mayor's Legislative Team:*

Resolution/Bill Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_

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

Eliot Schaefer

**7. City Council District:**

District 8

**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):**

Professional Services > \$500K

**Vendor/Contractor Name:**

Elevation Community Land Trust

**Contract control number:**

HOST-202371985

**Location:**

1114 W. 7<sup>th</sup> Ave, Suite 101 Denver, CO 80204

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

**Contract Term/Duration (for amended contracts, include existing term dates and amended dates):**

Grantee must satisfy all conditions set forth in this Agreement on or before six (6) months from the date on the City’s signature page of this Agreement (the “Closing Deadline”). Failure to meet this deadline may result in the termination of this Agreement, at the Executive Director’s sole discretion. No funds shall be disbursed under this Agreement until such time as (i) all conditions of this Agreement have been met and (ii) all financing necessary to acquire the Property have been secured. Within thirty-six (36) months of the date of execution of this Agreement by the City, Grantee must commence construction on a HOST-approved redevelopment plan to redevelop the Property.

**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>
\$1,600,000	N/A	\$1,600,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
Grantee must satisfy all conditions set forth in this Agreement on or before six (6) months from the date on the City’s signature page of this Agreement (the “Closing Deadline”). Within thirty-six (36) months of the date of execution of this Agreement by the City, Grantee must commence construction on a HOST-approved redevelopment plan to redevelop the Property.	N/A	Grantee must satisfy all conditions set forth in this Agreement on or before six (6) months from the date on the City’s signature page of this Agreement (the “Closing Deadline”). Within thirty-six (36) months of the date of execution of this Agreement by the City, Grantee must commence construction on a HOST-approved redevelopment plan to redevelop the Property.

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**Scope of work:**

The south site, 1523 Verbena St, includes a nine-unit multiplex and 17,625 sq ft of land zoned E-RH-2.5.  
The north site, 1551 Verbena St, is vacant, and consists of 6,250 sq ft of land zoned E-RH-2.5.

ECLT does not anticipate needing to rezone the lots, but will seek a parcel recombination to combine them into one site to facilitate the redevelopment.

The multiplex is expected to be fully rented at the time of ECLT's acquisition. During the site planning process, ECLT expects to keep the residents in place and will keep the rents affordable for the residents of the multiplex at or below the City's published rent limit for the households earning 80% of AMI, comply with all of the City's prohibited lease provisions, and any uniform relocation act requirements. It would further be ECLT's goal to work with existing residents who may be interested in purchasing either a home on the redeveloped site or another one of ECLT's homes in the East Colfax neighborhood.

ECLT anticipates redeveloping the Verbena site into 10-15 townhomes with at least 2-3 bedrooms. ECLT will explore the option of using modular construction to develop the site to help reduce cost and speed up construction times. These homes will serve families at or below 80% AMI.

**Was this contractor selected by competitive process?** N/A **If not, why not?** Financing for acquisition

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

**Source of funds:**

ARPA

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

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

**Who are the subcontractors to this contract?** N/A

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