SECOND AMENDATORY FUNDING AGREEMENT
(ARPA FUNDS/IMPACT INVESTMENT FUND)

THIS SECOND AMENDATORY FUNDING AGREEMENT ("Agreement") is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (the "City") and **ELEVATION COMMUNITY LAND TRUST**, a Colorado Nonprofit Corporation whose address is 1114 W 7th Ave, #101, Denver, CO 80204 ("Grantee"), each individually a "Party" and collectively the "Parties."

WITNESSETH:

WHEREAS, the Parties entered into a Funding Agreement dated September 28, 2023, and an Amendatory Funding Agreement dated December 27, 2024 (collectively, the "Agreement"), under which the City provided funding to Grantee for costs related to the acquisition costs of at least sixty-two (62) income restricted Units that will be sold at prices affordable to low- to moderate income households pursuant to the terms of this Agreement (the "Project");

WHEREAS, the Parties now wish to amend the Agreement to update the Scope of Work and amend Section 4 of the Agreement;

NOW THEREFORE, in consideration of the premises and the Parties' mutual covenants and obligations, the Parties agree as follows:

1. **Exhibit A-1** is hereby deleted in its entirety and replaced with **Exhibit A-2**, the **Scope of Work**. Exhibit A-2 is attached and incorporated by reference herein. All references in the original Agreement to **Exhibit A** or **Exhibit A-1** are changed to **Exhibit A-2**.

2. Section 4 of the Agreement, entitled "**USE AND DISBURSEMENT OF GRANT FUNDS; DEADLINE FOR DISBURSEMENT**", Subsection A. is amended to read as follows:

> "**4. USE AND DISBURSEMENT OF GRANT FUNDS: DEADLINE FOR DISBURSEMENT:**
>
> **A.** As set forth in Exhibit A-2, the Grant will be used for acquisition costs or down payments for single-family attached or detached residences, or multifamily residences, that must be used as affordable housing and sold to low- to moderate-income households pursuant to the terms of this Agreement."

3. As herein amended, the Agreement is affirmed and ratified in each and every particular.

4. This Amendatory Funding Agreement will not be effective or binding on the City until it has been fully executed by all required signatories of the City and County of Denver, and if required by Charter, approved by the City Council.

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Contract Control Number: HOST-202581503-02/HOST-202368736-02
Contractor Name: ELEVATION COMMUNITY LAND TRUST

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of:

SEAL

CITY AND COUNTY OF DENVER:

ATTEST:

By: ______________________________

____

APPROVED AS TO FORM:

Attorney for the City and County of Denver

By: ______________________________

REGISTERED AND COUNTERSIGNED:

By: ______________________________

By: ______________________________

Contract Control Number: HOST-202581503-02/HOST-202368736-02
Contractor Name: ELEVATION COMMUNITY LAND TRUST

Signed by:
By: Stefka Fanchi
FA94926179AC420...

Name: Stefka Fanchi
(please print)

Title: President and CEO
(please print)

ATTEST: [if required]

By: ______________________________________

Name: ______________________________________
(please print)

Title: ______________________________________
(please print)

EXHIBIT A-2
SCOPE OF WORK
DEPARTMENT OF HOUSING STABILITY
Elevation Community Land Trust
HOST-202581503-02

I. INTRODUCTION

A. Period of Performance Start and End Dates: 09/01/2023 – 8/31/2026

B. Project Description
Elevation Community Land Trust, or a wholly owned affiliate of Elevation Community Land Trust (collectively, "ECLT") to acquire units one of three ways: traditional acquisition and rehabilitation (ECLT acquires homes on the market, invests in rehabilitation, then sells the improvements to a household at or below 80% of the AMI); the Doors to Opportunity program (a buyer-driven program that further leverages ECLT's capital to increase equitable opportunities for households at or below 80% AMI); the Stay in Place Program (a tool for existing low- to-moderate income homeowners to access equity by joining the land trust).

Properties may be single-family attached, detached, or multifamily residences. Every property acquired under this contract must be sold to income qualified households earning no more than 80% of the Area Median Income ("AMI") for the Denver region as defined by the US Department of Housing and Urban Development ("HUD").

C. Amount: $6,220,000

D. Funding Source: ☒ American Rescue Plan Act State and Local Fiscal Recovery Funds ($5,520,000) and Impact Investment Funds ($700,000)

Organization: Elevation Community Land Trust, a Colorado nonprofit corporation

EIN#: 85-0671360

1114 W 7th Avenue, Unit 101
Denver, CO 80204

Contact Person: Stefka Fanchi, President & Chief Executive Officer

Phone: 720-822-0895

Email: sfanchi@elevationclt.org

Organization Type:

☒ Non-Profit ☐ For-Profit ☐ Individual ☐ Partnership ☐ Corporation ☐ Publicly Owned ☐ Other

Council District(s): Citywide **Neighborhood(s):** Citywide **Census Block(s): N/A**

Project/activity located in a Target Area: ☐ Yes ☒ No

II. ACTIVITY DESCRIPTION

A. GENERAL
The purpose of this agreement is to provide a subsidy from the Department of Housing Stability ("HOST") of the City and County of Denver ("the City") to ECLT to acquire properties for sale to eligible and qualified households earning no more than 80% of the Denver area median income ("AMI"), as determined by HUD.

ECLT will retain ownership of the land in a community land trust to ensure affordability for a minimum of 99 years by executing and recording a land lease with each homeowner. In the case of condominium properties where ECLT cannot take ownership of the land, ECLT will record a City-approved Deed Restriction or Covenant to ensure affordability for a minimum of 99 years. ECLT will have expended all funding under this Contract by the end of the Period of Performance defined in Section I(A), and will have completed the acquisition and sale of at least 56 affordable-for sale homes located in the City and County by August 31, 2027.

B. ECLT'S RESPONSIBILITIES

ECLT is responsible for carrying out activities in a manner satisfactory to the City and consistent with all standards required as a condition of receiving these funds.

1. **Property Acquisition**

   ECLT will identify and acquire the following types of properties within the City and County of Denver, subject to the requirements of Section C., that will be placed into the community land trust:

   a. Scattered Site Single Family Properties: Properties may be detached or attached single-family units, townhomes, rowhomes, or condominiums.

   b. Multifamily Properties: Properties may be multifamily properties that may be converted to affordable condominiums.

2. **Rehabilitation/Construction**

   a. At the sole cost of ECLT, ECLT will manage the rehabilitation of housing units acquired under Section B.1 based on a scope of work prepared and managed by ECLT.

   b. If required by Denver Revised Municipal Code or other regulation established by the City and County of Denver, rehabilitation must be performed by licensed general contractors or specialty contractors.

   c. All City code violations discovered at the property must be repaired.

   d. Homes built prior to 1978 will require compliance with HUD's Lead Based Paint requirements.

3. **Due Diligence**

   At the sole cost of ECLT, ECLT is responsible for all due diligence, completing activities required or implied, to provide completion of a property's acquisition or rehabilitation including, but not limited to:

   a. Environmental studies – Phases I, II, and/or City Environmental Review (if required)
   b. Appraisal and appraisal review services
   c. Physical Needs Assessments
   d. Title services
   e. Zoning Compliance
   f. Conveyance document preparation
   g. Surveys, maps and legal descriptions
   h. Construction bids and drawings
   i. Permits

4. **Compliance/Stewardship Requirements**

   Properties acquired under this agreement must be sold to the initial buyer and all subsequent buyers as an "affordable home" as defined by the City's affordable housing programs. "Affordable unit" or "Affordable home" is a for-sale home sold to a buyer whose household income is at or below 80% of AMI, as determined by HUD, with adjustments for family size.

   a. Long Term Affordability: ECLT will ensure long term affordability of each property acquired and developed under this agreement by executing and recording a Land Lease or Covenant with each homeowner that requires affordability for 99 years, which must include the applicable City Rider. Copies of the recorded land lease or covenant must be provided to HOST upon sale to qualified buyers.

   b. Inspections: Upon acquisition and/or rehabilitation completion but prior to sale to, or occupancy of, the initial homebuyer, the property must pass a Housing Quality Inspection performed by HOST. HOST will make best efforts to schedule Housing Quality Inspections within 15 days, and no more than 30 days, upon receiving notice from ECLT. If the property passes the Housing Quality Inspection, the homebuyer may occupy the property. If the property has minor issues that cause it to not pass the Housing

Quality Inspection but do not represent a threat to health or safety, then the homeowner may occupy the property and a new Housing Quality Inspection must be conducted and passed within 90 days. If the property has major issues that cause it to not pass the Housing Quality Inspection and represent a threat to health or safety, then the property may not be occupied and must pass a Housing Quality Inspection prior to occupancy.

c. Income Qualification for Initial Sales: ECLT is responsible for ensuring that initial buyers of homes acquired under this contract are income eligible and qualified. For the purposes of this contract, at the time of sale, the participant household must meet City of Denver's income eligibility guidelines, with household income defined as at or below the current 80% of AMI, as determined by HUD, based on household size.

d. Income Qualification for Subsequent Sales: ECLT is responsible for ensuring that subsequent buyers of homes acquired under this contract are income eligible and qualified.

e. Notification of Sale: ECLT must provide notification to the City of a sale at least 30 days in advance of the date of the scheduled closing and include the buyer's income verification notification or other sufficient summary information to confirm that the buyer was appropriately income verified, and the proposed sales price.

f. Occupancy Requirements: ECLT will ensure that the homeowner occupies the unit for a minimum of nine months per year. Homeowners must comply with the City's rules and regulations for Short Term Rentals and/or any other applicable local, state, or federal laws regarding rental housing.

g. City Right to Audit: The City has the right to audit the income qualification documentation for each residential unit buyer and/or ECLT's income qualification process, in each case on an annual basis. The documentation must be sufficient to demonstrate that the purchasing household's total income did not exceed 80% of AMI, as determined by HUD, based on household size at the time of qualification. ECLT must collect documentation based on the City's income qualification requirements at the time of application and is responsible for obtaining guidance regarding the appropriate documentation from City.

C. EXCLUDED ACTIVITIES.

1. No general operating or administrative costs will be reimbursed under this agreement.

2. No reimbursement will be provided for the following activities:

a. Due diligence costs;
b. Construction or rehabilitation of housing;
c. Construction or rehabilitation of Accessory Dwelling Units;
d. Luxury improvements (i.e. swimming pools, hot tubs, etc.);
e. Existing debt service;
f. Retiring existing debt;
g. Public improvements.

D. REIMBURSEMENT REQUIREMENTS

1. The Grant will only be used to reimburse costs associated with the acquisition of real property within the City and County of Denver for use as for-sale affordable housing. Funds will be provided based on the size of the units acquired or to be acquired and may not exceed:

- $100,000 for 2-bedroom or smaller units
- $115,000 for 3-bedroom units
- $125,000 for 4 or more-bedroom units.

2. ECLT may request reimbursement of acquisition costs once a property is acquired. With prior written consent from the Executive Director of HOST, ECLT may request HOST provide funding in the form of down payments made on to-be constructed properties so long as the down payment is in accordance with the per unit subsidies in D.1. of the Scope of Work, and no other reimbursement from HOST will be requested, nor required, under this Contract at the time of construction completion.

3. The per unit subsidy level and total units preserved may be adjusted upon approval of the Executive Director of HOST, but the Maximum Contract Amount may not be increased without an amendment to the Agreement.

4. In the reimbursement request packet, ECLT will provide HOST with the following documents for each unit for which reimbursement is sought:
   a. A recorded copy of ECLT's Warranty Deed;
   b. A copy of the Buyer's Closing Settlement Statement;
   c. Documentation of the unit size (bedrooms) in a form satisfactory to the City;
   d. Copies of the recorded 99-year land lease or 99- year Deed Restriction/Covenant, as applicable, which must include the applicable City Rider for all properties acquired pursuant to this Agreement previously sold to qualified homebuyers and not yet provided to HOST.
   e. Copies of all URA-required notices issued, as applicable.

5. If ECLT is requesting downpayments for to-be constructed properties, ECLT will provide the following documents for each unit for which the downpayment is sought:
   a. Fully Executed Purchase and Sale Agreement;
   b. Documentation of the unit size (bedrooms) in a form satisfactory to the City;
   c. Upon completion of the downpayment, ECLT will provide documentation of delivery of the downpayment to the developer of the project. Furthermore, upon completion of the project, ECLT will provide the documents in Section D.4. above, as applicable.

6. Impact Investment_Funds may only be used to reimburse for acquisition costs of units in the priority neighborhoods of Westwood, Globeville Elyria-Swansea, East Colfax, and Sun Valley. These funds were created as a special revenue fund to complement existing funding to create short term and long-term strategies for resident and business stabilization.

E. OTHER REQUIREMENTS

1. Interim Property Management: ECLT will maintain and secure all properties acquired under this contract prior to the sale to the initial homebuyer.

2. Tenant Support: ECLT will ensure that any tenant of an acquired property who is unwilling or unable to purchase the unit has access to organizations and resources that will provide housing navigation and other assistance at the termination of the lease. A tenant of a property acquired pursuant to this Agreement may occupy the acquired property for the remaining term of an existing lease. ECLT shall promptly provide the City with a copy of any lease agreement applicable to a property acquired pursuant to this Agreement. Any lease that ECLT assumes or that is otherwise applicable to a property acquired pursuant to this Agreement may not contain any of the provisions listed below. ECLT agrees to amend and remove such provisions in any existing lease agreement. HOST acknowledges that any lease amendments must be mutually agreed upon by ECLT and the tenant. ECLT will make a reasonable effort to fully execute such an amendment if the below provisions exist in the lease. Should the tenant be unwilling to execute an amendment, ECLT agrees not to enforce any of the below provisions.

   a. Agreement to Be Sued. Agreement by the tenant to be sued, admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.
   b. Treatment of Property. Agreement by the tenant that the owner may take, hold or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. However, the owner may dispose of personal property remaining in the unit after the tenant has moved out in accordance with Colorado law.
   c. Excusing Owner from Responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for actions or failure to act, whether intentional or negligent.
   d. Waiver of Notice. Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.

e. Waiver of Legal Proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
f. Waiver of Jury Trial. Agreement by the tenant to waive any right to a trial by jury.
g. Waiver of Right to Appeal. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge a court decision in connection with the lease.
h. Tenant Chargeable with Cost of Legal Actions Regardless of Outcome. Agreement by tenant to pay attorney fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant.
i. Mandatory Supportive Services. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

3. Uniform Relocation Act: The Agreement is subject to the relocation and acquisition requirements of the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended, and implementing regulations at 49 C.F.R. Part 24; Section 104(d) of the Housing & Community Development Act, as amended, and implementing regulations at 24 C.F.R. Parts 42 and 92. The Grantee must comply with the City's Anti-Displacement and Relocation Assistance Plan on file.

F. PERFORMANCE MONITORING

1. The City will monitor the performance of ECLT based on goals and performance standards as stated above along with all other applicable federal, state and local laws, regulations, and policies governing the funds provided under this contract.

2. Within 30 days of a request by HOST, ECLT must submit to the City an annual report of all sales activity that occurred within the calendar year, including date of sale, buyer name or names, property address, sales price, and verification that the buyer's income is at or below 80% of AMI, as determined by HUD, at the time of sale, and a calculation of the aggregate income of all buyers of properties acquired under this agreement.

3. ECLT must monitor and enforce compliance by each such buyer of their obligations under the related Land Lease or Covenant executed by such buyer for such residential unit.