

Elevation Community Land Trust: Scattered-Sites Acquisition/Rehab/Resell Program

Safety, Housing, Education, & Homelessness Committee

July 26, 2023

Adam Lyons, Lead Housing Development Officer

Department of Housing Stability



Action Requested Today

Approval of the following:

#23-0977 – Elevation Community Land Trust (ECLT) : New funding agreement for \$6,220,000 to provide funding for scattered-site property acquisition, rehabilitation, and resale to income-eligible homebuyers. Funding is provided from the American Rescue Plan Act (ARPA) State and Local Fiscal Recover Funds (SLFRF): \$5,520,000 and Impact Investment Funds (Special Revenue Fund): \$700,000.

Elevation Community Land Trust



- In a community land trust, the nonprofit builds or acquires homes, and sells the homes to income-qualified individuals. The CLT retains ownership of the land that the house sits on, leasing the land to the homeowner for a designated period of time, typically 99 years. Separating the house from the land has two important benefits:
 1. It ensures that the land remains affordable by keeping it in the community's possession; and
 2. It helps makes homeownership more affordable for low-income individuals, allowing them to more easily buy homes and build wealth through equity and shared market appreciation

Focused on:

- Acquiring or developing **700 permanently affordable homes** and
- **Serving approximately 2,000 residents** in its first five years – making it one of the largest CLTs in Colorado and the country.

ECLT Scattered-Site Acquisition/Rehab/Resale

- ECLT will acquire at least 62 units of affordable, for-sale housing and the improvements will be resold to households earning at or below 80% of the Area Median Income (AMI). Agreement will acquire between 62-83 homes over three years.
- Homes may be purchased city-wide, however only homes acquired in Westwood, Globeville Elyria-Swansea, East Colfax, and Sun Valley are eligible for Impact Investment Funds
- Homes will be acquired by ECLT in one of three ways:
 - Traditional acquisition and rehabilitation,
 - The newly launched Doors to Opportunity program, and
 - Stay in Place Program
- A 99-year land lease or deed restriction will be recorded on each acquired under this agreement



Project Details– Funding Sources

Sources	Total	%
Construction Line (1st Bank, I/O)	\$13,770,000	29.5%
Denver HOST	\$6,220,000	13.3%
CDOH Loan	\$990,000	2.1%
ECLT Philanthropic Capital	\$5,520,000	11.8%
Sales Proceeds	\$20,196,000	43.2%
Total	\$46,696,000	100.0%

- In addition to City funds, borrower will leverage private debt, Colorado Division of Housing funds, ECLT capital and sales proceeds.
- Overall total development cost assumes 83 units acquired with an approximate per unit cost of \$598,000/unit.
- Agreement will reimburse \$75,000-\$100,000 depending on the size of the unit acquired,

ECLT Funding Agreement

Scope of Work

Contract Term	3 years
Funding Source	American Rescue Plan Act
Contract Amount	\$5,520,000
Funding Source	Impact Investment Funds
Contract Amount	\$700,000

- HOST is recommending Council approval of a \$6,220,000 funding agreement (grant) for gap financing
- Three-year agreement, expiring 8/31/2026
- Funding will be provided in annual tranches of \$1,840,000, Impact Investment Funds and will be available in year 1 and until exhausted
- In order to draw on subsequent annual tranches, ECLT is required to draw down all ARPA SLFRF funds allocated to the prior year and demonstrate continuous progress in selling homes acquired to eligible homebuyers
- A 99-year land lease or covenant will be recorded on each property acquired.

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Questions?



2023 HOME INCOME LIMITS

(Effective: June 15, 2023)

Current HUD Income Limits

Area Median Income	HOUSEHOLD SIZE						HUD Income Designation
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	
120%	\$104,244	\$119,136	\$134,028	\$148,920	\$160,834	\$172,747	
115%	\$99,901	\$114,172	\$128,444	\$142,715	\$154,132	\$165,549	
100%	\$86,870	\$99,280	\$111,690	\$124,100	\$134,028	\$143,956	
95%	\$85,527	\$94,316	\$106,106	\$117,895	\$127,327	\$136,758	
90%	\$78,183	\$89,352	\$100,521	\$111,690	\$120,625	\$129,560	
80%	\$66,300	\$75,750	\$85,200	\$94,650	\$102,250	\$109,800	Low Income
70%	\$60,830	\$69,510	\$78,190	\$86,870	\$93,870	\$100,800	
65%	\$47,696	\$64,532	\$72,599	\$80,665	\$87,118	\$93,571	
60%	\$52,140	\$59,580	\$67,020	\$74,460	\$80,460	\$86,400	
50%	\$43,450	\$49,650	\$55,850	\$62,050	\$67,050	\$72,000	Very Low
30%	\$26,100	\$29,800	\$33,550	\$37,250	\$40,250	\$43,250	Extremely Low



Current HOST Initial Sale Limit

Maximum Initial Sales Price for Income-restricted For Sale Homes 2022

Maximum AMI for the Unit	Bedroom Count	Maximum Initial Sale Price
80% of AMI	Studio	\$198,450
	1-bedroom	\$234,950
	2-bedroom	\$271,450
	3-bedroom	\$307,900
	4-bedroom	\$337,250
75% of AMI	Studio	\$178,750
	1-bedroom	\$212,450
	2-bedroom	\$246,100
	3-bedroom	\$279,800
	4-bedroom	\$306,850
70% of AMI	Studio	\$159,050
	1-bedroom	\$189,950
	2-bedroom	\$220,800
	3-bedroom	\$251,700
	4-bedroom	\$276,500

Doors to Opportunity Program

Helps potential homebuyers access a down payment assistance loan between \$50,000 - \$150,000 to purchase a home located anywhere in Colorado under a land-lease arrangement. This buyer-driven program further leverages ECLT's capital to increase equitable opportunities for Black Indigenous and People of Colorado (BIPOC) households at or below 80% AMI

Stay in Place Program

Stay in Place Program (SIPP) is a collaboration between Elevation Community Land Trust (ECLT), West Denver Renaissance Collaborative (WDRC), and the City and County of Denver's Office of Financial Empowerment & Protection (OFEP). SIPP was created to offer new options for homeowners at risk of foreclosure or displacement to stay in their homes and communities. Offers homeowners the ability to:

- stay in their home and community
- realize 100% of the equity they have built in their home
- retain ownership of their home
- put the underlying land into trust to serve the community long-term