

# ORDINANCE/RESOLUTION REQUEST

Please mark one: ☐ Bill Request or ☒ Resolution Request Date of Request: 5/22/2020

## 1. Type of Request:

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

2. **Title:** Approves a loan agreement with Elevation Community Land Trust, LLC for a \$3,000,000 performance loan to support the acquisition, rehabilitation, or construction of 60 housing units to be sold to households at or below 100% of the Area Median Income.

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 Siegel, 720-913-1667	Name: Jennifer Siegel, 720-913-1667
Email: <a href="mailto:jennifer.siegel@denvergov.org">jennifer.siegel@denvergov.org</a>	Email: <a href="mailto:jennifer.siegel@denvergov.org">jennifer.siegel@denvergov.org</a>

5. General a text description or background of the proposed request, if not included as an executive summary.

☒ See Executive Summary

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

Eliot Schaefer

7. **City Council District:** Citywide scattered sites, excluding the neighborhoods of Globeville, Elyria, and Swansea

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

## Key Contract Terms

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

Resolution/Bill Number: RR20 0509

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

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

**Vendor/Contractor Name:** Elevation Community Land Trust LLC

**Contract control number:** HOST-202053866

**Location:** Citywide scattered sites, excluding the neighborhoods of Globeville, Elyria, Swansea

**Is this a new contract?** ☒ Yes ☐ No **Is this an Amendment?** ☐ Yes ☒ No **If yes, how many?** \_\_

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

99 years from execution of Promissory Note: 06/2020 - 06/2119

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

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$3,000,000	\$0	\$3,000,000

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
06/2020 - 06/2119		

**Scope of work:**

See Executive Summary.

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

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

**Source of funds:** Affordable Housing Fund

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

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

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

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## EXECUTIVE SUMMARY

Elevation Community Land Trust LLC (“Elevation”) is partnering with the City of Denver on an initiative to increase the number of homes owned by households at or below 100% of the Area Median Income (AMI). The purpose of this contract is to provide funding to acquire, rehabilitate, or construct properties, including vacant land, or single-family attached or detached residences, or multifamily residences from two to ten units. Every property acquired, rehabilitated, or constructed under this contract must be sold to households with incomes at or below 100% AMI for the Denver region as defined by the US Department of Housing and Urban Development (“HUD”). The aggregate AMI of units acquired and sold to income-eligible buyers under this contract must be at or below 80% AMI. Properties may be unrestricted at the time of acquisition or have an existing affordability restriction (preservation).

Elevation 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. Additionally, a Deed of Trust in favor of the City will be recorded on the land.

By the conclusion of the performance period, Elevation will complete the development of 60 affordable-for sale homes throughout the City, excluding the neighborhoods of Globeville, Elyria, or Swansea. Elevation will ensure that each home is sold to a qualified buyer with household income at or below 100% AMI and execute a 99-year land lease with each homeowner that requires subsequent sales to income qualified households.

Funding is being provided as a performance loan, with 0% interest and no payments due provided that units remain in compliance for the duration of the performance period. The loan will be forgiven at the completion of the compliance period. The City will record an individual Deed of Trust on the land underlying each residential unit of the type acquired, constructed and/or renovated.

The initial sale price of a unit may not exceed (but may be less than) the City’s published maximum sale price based on unit type at the time of sale. As of May 2020, the current maximum initial sales prices are:

Unit Type	Maximum Initial Sale Price
2 Bedroom	\$237,592
3 Bedroom	\$277,172
4 Bedroom	\$300,102

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