



Legislation Details (With Text)

File #: 22-0098 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 1/14/2022 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 2/7/2022 **Final action:** 2/7/2022

Title: A resolution approving a proposed First Amendment and Modification Agreement between the City and County of Denver and Elevation Community Land Trust LLC to fund additional acquisition, rehabilitation, or construction of for-sale affordable housing units. Amends a loan agreement with Elevation Community Land Trust, LLC by adding \$1,700,000 for a new total of \$4,700,000 to fund the expansion of at least 26 additional income-restricted homeownership units to be sold to households at or below 100% of the Area Median Income at sites across the city. No change to agreement duration (HOST-202261723; HOST-202053899-01). The last regularly scheduled Council meeting within the 30-day review period is on 2-28-22. The Committee approved filing this item at its meeting on 1-26-22.

Sponsors:

Indexes: Emily Lapel

Code sections:

Attachments: 1. RR22 0098 DEDO Elevation CLT amendment 011422-revised, 2. ECLT Amendment 012622-FINAL, 3. 22-0098 Filed Resolution_Elevation Community Land Trust LLC 202261723-01 ecs (002), 4. 22-0098 First Amendment and Modification Agreement Elevation Community Land Trust LLC 202161723-01, 5. 22-0098 Filed Resolution_Elevation Community Land Trust LLC, 6. 22-0098 - signed

Date	Ver.	Action By	Action	Result
2/7/2022	1	Council President	signed	
2/7/2022	1	City Council	adopted	Pass
1/26/2022	1	Safety, Housing, Education & Homelessness Committee	approved for filing	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 1-14-22

Requesting Agency: Department of Housing Stability
Division:

Subject Matter Expert Name:

Name:	Derek Woodbury
Email:	derek.woodbury@denvergov.org

Item Title & Description:

(Do not delete the following instructions)

These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title

should be in **bold** font).

Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.

A resolution approving a proposed First Amendment and Modification Agreement between the City and County of Denver and Elevation Community Land Trust LLC to fund additional acquisition, rehabilitation, or construction of for-sale affordable housing units.

Amends a loan agreement with Elevation Community Land Trust, LLC by adding \$1,700,000 for a new total of \$4,700,000 to fund the expansion of at least 26 additional income-restricted homeownership units to be sold to households at or below 100% of the Area Median Income at sites across the city. No change to agreement duration (HOST-202261723; HOST-202053899-01). The last regularly scheduled Council meeting within the 30-day review period is on 2-28-22. The Committee approved filing this item at its meeting on 1-26-22.

Affected Council District(s) or citywide? Citywide

Contract Control Number: HOST-202261723 (HOST-202053899-01)

Vendor/Contractor Name (including any "DBA"): Elevation Community Land Trust LLC

Type and Scope of services to be performed:

Executive Summary

The Department of Housing Stability has partnered with Elevation Community Land Trust LLC on an initiative to increase the number of homes owned by households at or below 100% of the Area Median Income (AMI). This contract provides 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. 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 retains 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 is recorded on the land.

Elevation has fulfilled its obligation of developing 60 affordable-for sale homes throughout the City, excluding the neighborhoods of Globeville, Elyria, or Swansea, during the current performance period. This amendment provides an additional \$1,700,000 to fund the development of at least 26 additional affordable homeownership units. 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 provided as a performance loan, with 0% interest and no payments due provided that units remain in compliance for the duration of the contract term. The loan will be forgiven at the completion of the compliance period in 2119. 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. The current maximum initial sales prices are:

2020 MAXIMUM INITIAL SALES PRICES					
% AMI	NUMBER OF BEDROOMS				
	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
80%	\$164,000	\$201,000	\$277,000	\$307,000	\$337,000
95%	\$196,000	\$238,000	\$323,000	\$357,000	\$391,000

**Based on HUD Income Limits and OED Underwriting Criteria*

In addition to funding the development of additional affordable units, this amendment includes the following changes to the original agreement:

- The maximum city subsidy per unit will increase from \$50,000 to \$65,000, due to the significant home price appreciation Denver’s real estate market has experienced over the past year.
- Given that some of Elevation’s property acquisitions under this initiative have been rental units with existing tenants, contract language is being modified to align with other City contracts (added lease terms prohibiting Waiver of Jury Trial, Waiver of Right to Sue).

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract:

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term:

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

\$3,000,000

What is the value of the proposed change?

\$1,700,000

What is the new/revised total value including change?

\$4,700,000

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)