



Legislation Text

File #: 22-1017, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 8-29-2022

**Requesting Agency: Department of Housing Stability
Division:**

**Subject Matter Expert Name: Jennifer Balkcom
Email Address: Jennifer.Balkcom@denvergov.org
Phone Number:**

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 for approving a proposed Loan Agreement between the City and County of Denver and ECLT Morrison Condos LLC to support the planned affordable housing development located at Morrison Road and South Perry Street in Council District 3.

Approves a loan agreement with Elevation Community Land Trust (ECLT) Morrison Condos, LLC for \$1,800,000 and with the loan conditions met on or before 6-22-2023 to support the planned affordable housing development located at Morrison Road and South Perry Street in Council District 3 (HOST-202264231). The last regularly scheduled Council meeting within the 30-day review period is on 10-3-2022. The Committee approved filing this item at its meeting on 8-31-2022.

Affected Council District(s) or citywide? 3

Contract Control Number: HOST-202264231

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

Type and Scope of services to be performed:

The Morrison Road site currently consists of 5 residential units made up of 3 units in the mixed-use building and 2 units in a residential duplex north of the mixed-use building. Until redevelopment, the rental units will be restricted to 3 units at or below 80% AMI. Once the redevelopment is complete, all residential units will be sold to affordable homebuyers at or below 80% AMI.

The site being acquired by Elevation Community Land Trust (ECLT) includes five residential spaces and six commercial units on the corner of Morrison Road and S. Perry St. The total acquisition request is \$1,800,000. HOST's covenant will require a minimum of 36 bedrooms in the final redevelopment of the property to justify HOST's funding. The planned unit mix is not yet known as ECLT intends to complete a community engagement process prior to committing to the unit mix. HOST will structure the loan as a short-term acquisition bridge loan with a balloon that will convert to a performance loan when redevelopment begins upon meeting the conditions for conversion to HOST's satisfaction. ECLT and BuCu West are partnering on the acquisition, stabilization, and community-centered redevelopment of the property. ECLT and BuCu West are entering into an MOU through which they will jointly own and manage the property. ECLT will acquire the property and convert the residential and commercial portions of the main property to condominiums following acquisition. BuCu West will acquire the commercial condominium units from ECLT. ECLT will retain ownership of the residential condominiums, the duplex, and the land underlying the site. ECLT and BuCu West will jointly undertake immediate health, safety and welfare improvements for the residential and commercial units and stabilize rents for existing tenants. ECLT will manage the residential units, and BuCu West will manage the commercial units. After extensive community engagement, ECLT and BuCu West will redevelop the site and sell all residential units as affordable homeownership units while BuCu West will transition ownership of the commercial condominiums to tenant or local legacy businesses restricted to be affordable in perpetuity.

Location (if applicable): Morrison Road & S. Perry St.

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

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

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

New

Was this contractor selected by competitive process or sole source?

Sole

For New contracts

Term of initial contract:

Initially 4 years with one 1-year extension, converts to 99 years. Acquisition bridge with balloon, converting to performance.

Borrower must satisfy all conditions set forth in this loan agreement on or before June 22, 2023

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: \$1,800,000

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?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

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