



Legislation Text

File #: 22-1319, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 10-17-2022

**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 approving a proposed Amended and Restated Loan Agreement between the City and County of Denver and ECLT Morrison Condos, LLC to change the funding source of the loan.

Amends the loan agreement with ECLT Morrison Condos, LLC to change the funding source of the loan within the Department of Housing Stability to ensure the loan agreement and associated affordable housing development remains on schedule. No change to agreement amount, duration or other terms (HOST-202264231/ HOST-202264231-01). The last regularly scheduled Council meeting within the 30-day review period is on 11-21-2022. The Committee approved filing this item at its meeting on 10-19-2022.

Affected Council District(s) or citywide? 3

Contract Control Number: HOST-202264231/ HOST-202264231-01

Vendor/Contractor Name (including any "DBA"): ECLT Morrison Condos LLC

Type and Scope of services to be performed:

This amendment request is to change the source of funding. The original funding source for the loan agreement was the Community Development Block Grant (CDBG). HOST was not able to close on the loan agreement as planned due to last minute concerns from

the Department of Housing and Urban Development (HUD). HUD is requiring further testing of the site prior to granting approval to use CDBG funds for this project. Given the strict timeline of this acquisition, HOST needs to be able to close on this agreement as soon as possible. Given the uncertainty of the amount of time it will take to complete the retesting that HUD is asking for, we are seeking to change the funding source to property tax.

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)? N/A

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

Amendment

Was this contractor selected by competitive process or sole source?

N/A

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)?

Terms unrelated to price or length

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.)

Changing the source of funding for the loan agreement.