



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: October 19, 2023

AGENDA TITLE

Consideration of a motion authorizing the City Manager to convey the permanently affordable housing unit at 2661 Lloyd Circle Boulder, CO to an eligible buyer and sign all associated agreements.

PRESENTERS

Nuria Rivera-Vandermyde, City Manager
Kurt Firnhaber, Director of Housing & Human Services
Jay Sugnet, Housing & Human Services Senior Manager
Eric Swanson, Homeownership Manager

EXECUTIVE SUMMARY

Approval from City Council is required to dispose of City property. In April 2023, the City, through its Housing & Human Services Department, purchased the home at 2661 Lloyd Circle Unit A1, Boulder, CO. The home was purchased with the intention of providing a homeownership opportunity to middle income buyers. The homeownership program seeks approval to sell the property to a program qualified buyer. This will allow the home to be added to the City's Permanently Affordable Homeownership Program.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to authorize the City Manager to dispose of the permanently affordable housing unit at 2661 Lloyd Circle Unit A1, Boulder, CO to an eligible buyer and sign all associated agreements.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic – The City of Boulder Permanently Affordable Homeownership Program is committed to making homes in our community available to a variety of people. We offer opportunities for homeownership to those with low, moderate, and middle incomes throughout the city. Authorizing the City Manager to dispose of 2661 Lloyd Circle to a certified applicant, through the Permanently Affordable Homeownership Program Fair Selection Process, will provide a property for permanently affordable homeownership in the City of Boulder.
- Social - The sale of this home will give an income qualified applicant the opportunity to purchase an affordable home in Boulder.

OTHER IMPACTS

- Fiscal – The purchase and sale of this property will have a net cost of approximately \$205,700. The majority of this represents the subsidy needed to convert this home from a market rate home to a permanently affordable home. To make the home affordable the price needed to be lowered. In addition, some of the systems in the home were in need of maintenance or replacement. The net cost was anticipated and budgeted for within the Housing & Human Services initiative that creates middle-income affordable homes.

Table A – Property Purchase, Rehabilitation and Resale Costs

	2661 Lloyd Circle Unit A1
Purchase Amount	≈ (\$501,000.00)
Rehabilitation / holding costs	≈ (\$31,400.00)
Resale Costs/Incentives	≈ (\$22,700.00)
Total Costs	≈ (\$555,100.00)

Table B – Property Sale

Property Resale Amount	\$349,400.00
Total Costs	≈ (\$555,100.00)
Affordable Housing Fund	≈ (\$205,700.00)

- Staff time - Staff time needed to facilitate the property sale would be a part of the normal work plan. No additional staff resources would be required.

BACKGROUND

To build the inventory of permanently affordable homes available to middle-income earners (80-120% AMI), the Housing and Human Service department established an initiative in 2021. The goal of this initiative is to buy homes at market prices and resell them at lower prices that are in line with the Permanently Affordable Program specific to middle-income. A permanently affordable covenant is attached to the property with the goal of maintaining affordability into the future. 2661 Lloyd Circle Unit A1 was purchased at market rate with the intention to convert it to a permanently affordable home.

ANALYSIS

The Housing & Human Service's mission is to preserve and provide safe, quality and affordable housing opportunities through collaborative community planning and funding of programs. The purchase and resale of this property upholds the mission of the program. The disposal of this property will afford a certified applicant the opportunity to own a home in the city. This property will serve an applicant who earns up to 120% of the Area Median Income. Approval from City Council is required to dispose of City property, § 2-2-8(a) "Conveyance of Real Property Interests," B.R.C. 1981.