

## BRIEFING Q&A: 3501 Chestnut St LLC – Chestnut Place Condos

**What is this project?** The Chestnut Place Condos will be a 49-unit condominium project with 14 one-bedroom, 27 two-bedroom, 8 three-bedroom units, and one commercial space in the Five Points Neighborhood. When certificates of occupancy are received, Elevation Community Land Trust ("ECLT") will purchase the completed land and building improvements. ECLT will sell the units to buyers with incomes at or below 80% of the area median income (AMI) and retain ownership of the land. In addition, ECLT will record their land lease which will ensure the units will remain affordable for households at or below 80% AMI for 99 years.

### What is notable and/or unique about this project?



*One building, south and north elevations*

This project will enter into a land trust with Elevation Community Land Trust ensuring affordability for households at or below 80% AMI for 99 years.

The loan agreement, promissory note, and deed of trust will be assigned to ECLT upon their acquisition of the land and improvements. ECLT will be responsible for buyer income qualification, initial and subsequent sales, and long-term stewardship of the development.

### How will the city's funds be used?

Beginning February 1, 2022, 3501 Chestnut St LLC plans to begin the construction of the property. The city's investment will support the acquisition, soft and hard costs associated with the construction. The construction of the Chestnut Place Condos will be completed when the Certificate of Occupancy is received, anticipated March 2023.

### How is the city's investment structured?

Estimated Project amount: \$17,726,382

The terms of the city's proposed investment are detailed as follows:

- Principal amount of \$2,450,000
- Interest rate of 0%
- Performance loan
- Term of 99 years from the execution of the Promissory Note

**What challenges or barriers has the project faced/does it currently face?** The biggest challenge this development has faced is the site itself. The very narrow triangular site, currently comprised of two parcels, required an increasingly challenging building form. The developer sought a zoning variance to maximize the livable space of the development, however the Board of Adjustments offered only a partial variance which, after several building form iterations, required the developer to scall down the overall development size.



Additionally, the existing structure on the site requires asbestos and lead-based paint mitigation during demolition, increasing overall site preparation expenses.

**How will the city's proposed investment contribute toward the goals established by HOST's Five-Year Strategic Plan?** HOST's five-year strategic plan calls for the creation or preservation of 7,000 ownership and rental homes, reduces the housing cost-burden among low- and moderate-income households to 51%, and increases the homeownership rate to 45% for BIPOC households. Chestnut Place Condos will increase the supply of affordable homeownership units by 49 units, all of which will be

affordable to households earning at, or below, 80% of the area median income. ECLT's ground lease will secure the affordability of these units for at least 99 years. Finally, the property's layout of 14 one-bedroom, 27 two-bedroom and 8 three-bedroom homes provides a range of opportunities across the demographic spectrum, allowing low- to moderate-income residents to enter into the housing market where otherwise impossible.

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**For more information or to schedule a 1:1 briefing from HOST on this project:**

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