

**ORDINANCE/RESOLUTION REQUEST**

Please email requests to the Mayor’s Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**. Contact the Mayor’s Legislative team with questions

Date of Request: 9/16/21

Please mark one:  Bill Request or  Resolution Request

**1. Type of Request:**

- Contract/Grant Agreement     Intergovernmental Agreement (IGA)     Rezoning/Text Amendment
- Dedication/Vacation             Appropriation/Supplemental             DRMC Change
- Other:

**2. Title:** (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Approves a performance loan agreement with 3501 Chestnut Development, LLC through contract control number HOST 202158709 for \$2,450,000 to construct a 49-unit affordable housing project known as Chestnut Place Condos; serving low to moderate income homebuyers.

**3. Requesting Agency:** Department of Housing Stability

**4. Contact Person:**

|  |   |
|--|---|
| Contact person with knowledge of proposed ordinance/resolution | Contact person to present item at Mayor-Council and Council |
| Name: Adam Lyons   | Name: Elvis Rubio   |
| Email: adam.lyons@denvergov.org                                | Email: Elvis.Rubio@denvergov.org                            |

**5. General description or background of proposed request. Attach executive summary if more space needed: (in this section, please describe what the additional funding will support if it is an amendment)**

- a. **Contract Control Number:** HOST 202158709
- b. **Duration:** 99-year
- c. **Location:** 3501 and 3563 Chestnut Place, Denver, CO 80216
- d. **Affected Council District:** 9
- e. **Benefits:** For-sale homeownership opportunities for low to moderate income homebuyers
- f. **Costs:** \$2,450,000.00

**6. City Attorney assigned to this request (if applicable):** Eliot Schaefer

**7. City Council District:** All (District 9)

**8. \*\*For all contracts, fill out and submit accompanying Key Contract Terms worksheet\*\***

*To be completed by Mayor’s Legislative Team:*

Resolution/Bill Number: RR21 1228

Date Entered: \_\_\_\_\_

## Key Contract Terms

**Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):** Loan Agreement

**Vendor/Contractor Name:** 3501 Chestnut Development, LLC

**Contract control number:** HOST-202158709

**Location:** 3501 and 3563 Chestnut Place

**Is this a new contract?**  Yes  No **Is this an Amendment?**  Yes  No **If yes, how many?** \_\_\_

**Contract Term/Duration (for amended contracts, include existing term dates and amended dates):**

**Contract Amount (indicate existing amount, amended amount and new contract total):**

| <i>Current Contract Amount</i> | <i>Additional Funds</i> | <i>Total Contract Amount</i> |
|--------------------------------|-------------------------|------------------------------|
| <i>(A)</i>                     | <i>(B)</i>              | <i>(A+B)</i>                 |
| \$2,450,000                    |                         | \$2,450,000                  |

  

| <i>Current Contract Term</i> | <i>Added Time</i> | <i>New Ending Date</i> |
|------------------------------|-------------------|------------------------|
| 99-year                      |                   | 10/31/2120             |

**Scope of work:**

See executive summary.

**Was this contractor selected by competitive process?** Yes **If not, why not?** n/a

**Has this contractor provided these services to the City before?**  Yes  No

**Source of funds:** Property Tax

**Is this contract subject to:**  W/MBE  DBE  SBE  XO101  ACDBE  N/A

**WBE/MBE/DBE commitments (construction, design, Airport concession contracts):** N/A

**Who are the subcontractors to this contract?** Unknown/TBD

**Executive Summary**

Shanahan Development, through its entity 3501 Chestnut St LLC, is requesting a \$2,450,000 performance loan (\$50,000/unit) to develop a 49-unit condominium project with 14 one-bedroom, 27 two-bedroom, 8 three-bedroom units, and one commercial space. Funding will be for acquisition, hard construction costs and soft costs. 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 and retain ownership of the land. They will record their land lease which will ensure the units will remain affordable 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. The City will monitor ECLT's income verification process and resale process to ensure compliance with the loan agreement.

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