

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team

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

Date of Request: 3/25/22

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: 1st Amendment to Loan Agreement

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.)

Amends a performance loan agreement with 3501 Chestnut Development, LLC through contract control number HOST-202262289 to increase the amount of the City loan by \$735,000, for an amended loan amount of \$3,185,000.

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: Jack Wylie
Email: adam.lyons@denvergov.org	Email: Jack.Wylie@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

On November 8, 2021 City Council approved a performance loan of \$2,450,000 to support the development of a 49-unit affordable housing project known as Chestnut Place Lofts, providing homeownership opportunities to low- to moderate-income home buyers. The increased funding through this amendment will close the gap resulting from nearly \$2.2 million in construction cost increases associated with this homeownership development. The project partner, Elevation Community Land Trust (ECLT), has agreed to contribute additional equity toward the increased construction costs so that, along with an increase in the City loan amount, all project finances sources will be committed and the project can proceed with construction.

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

7. City Council District: 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: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): Loan Agreement 1st Amendment

Vendor/Contractor Name: 3501 Chestnut Development, LLC

Contract control number: HOST-202262289

Location: 3501 and 3563 Chestnut Place

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** 1

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	\$735,000	\$3,185,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
99-year	n/a	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: Affordable Housing Property Tax and Other Local Revenue Funds

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? 3501 Chestnut Development has procured Brinkman Construction as the general contractor for this project and subcontractors are to be determined.

Executive Summary

Shanahan Development, through its entity 3501 Chestnut Development, LLC is requesting an additional \$735,000 to supplement the approved \$2,450,000 performance loan to develop a 49-unit condominium project with 14 one-bedroom, 27 two-bedroom, 8 three-bedroom units, and three commercial spaces. 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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