City and County of Denver

City and County Building
1437 Bannock St.
Denver, CO 80202

Legislation Details (With Text)

File #:	22-0367 **Version:** 1		
Type:	Resolution	**Status:**	Adopted
File created:	3/27/2022	**In control:**	Safety, Housing, Education & Homelessness Committee
On agenda:	4/18/2022	**Final action:**	4/18/2022
Title:	A resolution approving a proposed First Amendment and Modification Agreement between the City and County of Denver and 3501 Chestnut Development, LLC to increase the loan to support the development and construction of a 49-unit affordable housing project known as Chestnut Place Lofts in Council District 9. Amends a performance loan agreement with 3501 Chestnut Development, LLC by adding $735,000 for a new total loan amount of $3,185,000 to address project cost escalation in the development of a 49-unit affordable housing project known as Chestnut Place Lofts in Council District 9, providing homeownership opportunities to low-to moderate-income home buyers. No change to loan duration (HOST-202262289). The last regularly scheduled Council meeting within the 30-day review period is on 5-9-22. The Committee approved filing this item at its meeting on 4-6-22.		
Sponsors:			
Indexes:	Emily Lapel		
Code sections:			
Attachments:	1. RR22 0367 HOST Chestnut Place Lofts - Amendment 032522, 2. 22-0367 Filed Resolution_3501ChestnutDevelopmentLLC_202262289-01, 3. 22-0367 1stAmendAgr_3501ChestnutDevelopmentLLC_202262289-01, 4. 22-0367 Filed Resolution_3501ChestnutDevelopmentLLC		

Date	Ver.	Action By	Action	Result
4/18/2022	1	Council President	signed	
4/18/2022	1	City Council	adopted	Pass
4/6/2022	1	Safety, Housing, Education & Homelessness Committee	approved by consent	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 3/28/22

Requesting Agency: HOST
Division:

Subject Matter Expert Name: Jack Wylie
Email Address: jack.wylie@denvergov.org <mailto:jack.wylie@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 First Amendment and Modification Agreement between the City and County of Denver and 3501 Chestnut Development, LLC to increase the loan to support the development and construction of a 49-unit affordable housing project known as Chestnut Place Lofts in Council District 9.

Amends a performance loan agreement with 3501 Chestnut Development, LLC by adding $735,000 for a new total loan amount of $3,185,000 to address project cost escalation in the development of a 49-unit affordable housing project known as Chestnut Place Lofts in Council District 9, providing homeownership opportunities to low-to moderate-income home buyers. No change to loan duration (HOST-202262289). The last regularly scheduled Council meeting within the 30-day review period is on 5-9-22. The Committee approved filing this item at its meeting on 4-6-22.

Affected Council District(s) or citywide? District 9

Contract Control Number: HOST-202262289

Vendor/Contractor Name (including any "DBA"): 3501 Chestnut Development, LLC

Type and Scope of services to be performed:

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.

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.

Location (if applicable): 3501 Chestnut

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts): N/A

Are WBE/MBE/DBE goals met (if applicable)?

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

Was this contractor selected by competitive process or sole source? Competitive loan process

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)? Increased loan amount

If length changing
What was the length of the term of the original contract? 99 year affordability

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?

Current Contract Amount (A)	*Additional Funds (B)*	*Total Contract Amount (A+B)*
$2,450,000	$735,000	$3,185,000

If terms changing
Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)