



RFP #27-2017

CITY OF BOULDER, COLORADO
REQUEST FOR PROPOSALS

Redevelopment of City-owned Property at 30th
and Pearl

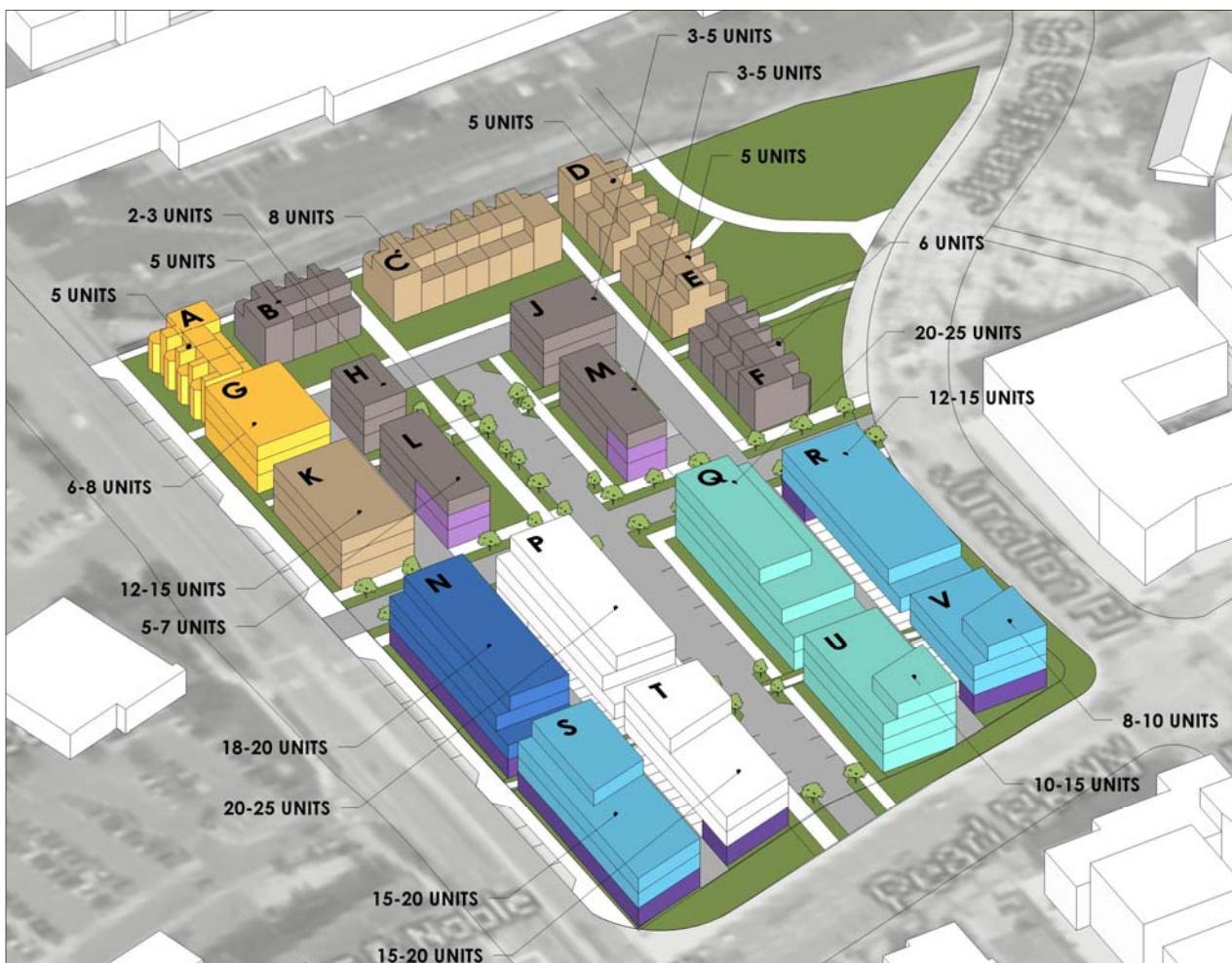
ISSUE DATE: March 10, 2017

DUE DATE: May 31, 2017

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firnhaberk@bouldercolorado.gov

INTRODUCTION

The City of Boulder is seeking a partner, or partners, to pursue redevelopment of the city-owned site at the northeast corner of 30th and Pearl streets. The redevelopment will result in a mixed use, mixed-income, transit-focused area of the emerging neighborhood in Boulder's Transit Village area. Significant planning and analytical efforts have already been undertaken to define the development vision which is best described as a dense mixed-use development with a variety of housing types, including some townhomes or other housing types, underground parking, and as much affordability as possible. The figure below represents, preliminarily in form and mass, the development vision. Additional detail about the vision can be found later in this RFP.



A partner is needed to finally bring the project to life. The successful partner will clearly and effectively communicate A) what the final development will be and B) how it will be accomplished.

Within the confines of the predetermined development vision, the city is seeking the maximum possible number of permanently affordable housing units, including middle income units, and high quality urban design and architecture conforming to the recently adopted form-based code for the site. Beyond the firm but basic parameters established for the redevelopment, proposers are encouraged to think creatively about how to turn the site into one of the city's finest urban environments.

The city intends to transfer the full ownership of the land to the chosen development team in order to achieve certain development outcomes as described in this document. Neither the redevelopment, nor the potential transfer of the land, are tied to financial motivations for the city. As such, the city is also open to a variety of potential ownership scenarios involving sale, sale with deed restrictions, long-term ground lease, subdivision, etc.

After the selection process, the city anticipates there will still be a significant amount of detail to address in order to make the redevelopment a success for both the city and the developer. To that end, a development agreement between the developer and the city will be necessary and the agreement will govern the redevelopment process and outcomes. The agreement will address all necessary details. Proposers should therefore submit plans at a level of detail sufficient for the city's concept plan review process, financial information and/or pro forma analysis sufficient to explain how the development will work from start to finish, and a description of the outcomes, such as the interim and permanent ownership and management structure.

More detail on submittal requirements and selection process can be found in later sections of this RFP.

PROJECT BACKGROUND

In 2000, the city initiated a planning effort for a transit-oriented development in east Boulder as an extension of the 28th Street corridor planning project. The 11.2-acre site at the northeast corner of 30th and Pearl streets (then owned by Pollard Friendly Motors) was identified through a site selection process as the preferred location for a TOD. The site was acquired jointly by the city and the Regional Transit District (RTD) in October 2004.

A plan for the area's future redevelopment, the [Transit Village Area Plan \(TVAP\)](#), was adopted in September 2007 following an effort that began shortly after the acquisition of the Pollard Motor property in 2004. The plan outlines a set of goals and objectives for achieving a broad vision established for the 160-acre Transit Village Area. The vision for the Transit Village Area as articulated in the plan includes the following:

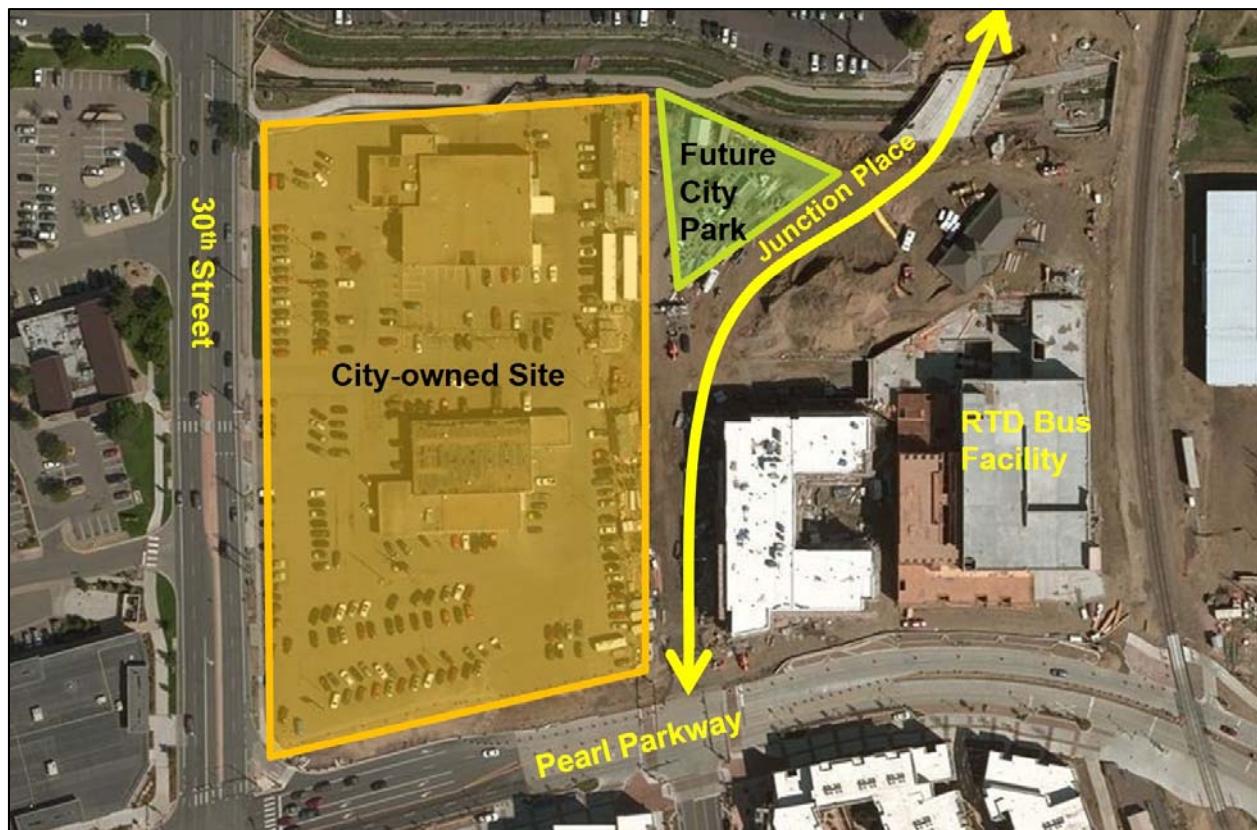
- A lively and engaging place with a diversity of uses, including employment, retail, arts and entertainment, with housing that serves a diversity of ages, incomes and ethnicities;
- A place that is not overly planned, with a “charming chaos” that exhibits a variety of building sizes, styles and densities where not everything looks the same;
- A place with both citywide and neighborhood-scale public spaces;
- A place that attracts and engages a broad spectrum of the community, not just people who live and work here or come to access the transit in the area; and
- A place that emphasizes and provides for alternative energy, sustainability, walking, biking and possible car-free areas, e.g., an “eco-village.”

The acquisition effectively had two parts: the city purchased the west portion of the Pollard Motor site for mixed-use development and RTD purchased 3.2 acres on the east portion for a transit facility. The RTD site has since been redeveloped into Depot Square, which includes an underground transit facility, a parking garage, permanently affordable housing, a hotel, and a restaurant in the restored depot building.

The city's goals when it purchased its portion of the site were to:

- advance Boulder's long-range vision for a TOD that maximizes public investment in multimodal transportation, infrastructure improvements and affordable housing;
- create a mixed-use development with predominantly residential uses and some supporting commercial uses as determined by a future market study;
- create a range of housing types;
- create a substantial amount (up to 50 percent) of permanently affordable housing, with the remaining 50 percent of the housing sold or rented at market rates; and
- create a mix of ownership and rental housing at a range of 220 to 300 units.

Chapter 3 of the TVAP, titled "Urban Design," envisions that the city-owned site will be used to create a new transit-oriented, mixed-use neighborhood that is predominantly residential, with some retail and office space. Located in the Pearl Street Center District of the planning area, it is envisioned as a high-intensity mix of housing and associated commercial uses, capitalizing on its central location and the regional bus facility. Up to half of the residential units on the city-owned site are envisioned as permanently affordable housing for a mix of low- to moderate and middle income, primarily workforce, family households and/or targeted to hard-to-serve populations that would greatly benefit from proximity to transit, such as people with disabilities and seniors.



2016 Scenario Analysis

In 2016, the city developed and preliminarily analyzed for feasibility a set of representative scenarios that would help refine and narrow the desired development outcomes on the site. The scenarios all attempted to meet the following goals:

1. Meet, to the greatest extent possible, the goals of TVAP as well as the site acquisition goals.
2. Comply with the recently adopted Form Based Code (FBC) for the site.
3. Take into account existing market conditions.
4. Maximize the value of the site where possible to facilitate achievement of policy goals.
5. Take into consideration the recently developed Middle Income Housing Strategy.

The scenarios focused on development assumptions and rigorous testing. The foundation of the scenarios comes from a robust pro forma analysis which details the project's financials under different outcomes. Urban design and architecture were studied only so far as to test the physical viability of various use mixes and to ensure conformity with zoning and the FBC. This is illustrated at a high level through the use of bulk and massing diagrams.

Proposers are strongly encouraged to review the 2016 scenario analysis and related City Council discussion, both of which are attached to this RFP, to gain a full understanding of the city's development vision and assumptions.

Site Conditions

This RFP contains maps describing the site to the best of the city's understanding. At this time, the site still contains buildings related to its former use as an auto dealership.

When redevelopment begins, the chosen developer will commence with a site that is cleared of all buildings and all known environmental contaminants.

Before redevelopment activities commence, the existing buildings will be demolished and all known environmental contaminants will be removed from the site. Per the lease between the city and Pollard Motors (the site's previous occupant), Pollard will provide certification that the site is free of contaminants upon expiration of their lease.

DESIRED DEVELOPMENT OUTCOMES and CONSIDERATIONS

Housing

The city acquired the property with the intention of maximizing the housing opportunities of this transit oriented development site. Grounded in the city's housing priorities, the [Transit Village Area Plan](#) and policies of the [Boulder Valley Comprehensive Plan](#), the city

seeks to accomplish multiple housing and transit goals including: create a new transit-oriented, mixed-use neighborhood that is predominantly residential, with some retail and/or office space; provide and maintain a mixture of housing types offering varied unit types, prices and sizes; encourage development of housing serving a full range of households (singles, couples, families with children and other dependents, extended families, non-traditional households, seniors); integrate permanently affordable and permanently supportive housing.

Recent direction from City Council called for the “creation of a neighborhood” including a diversity of income levels, tenure (ownership and rental) and unit types and design.

Successful proposals should reflect the goals identified above and an understanding of the city’s priority for the balance of housing units to offer ownership and rental opportunities serving a variety of income levels. A primary goal of this project is to create 50 percent of the housing units on site as permanently affordable to incomes ranging from 0 percent to 150 percent of the Area Median Income. The balance of housing units would be market units of which a percentage of these would be initially affordable to households earning 150 percent of the area median income (AMI).

Proposals will need to define the percentage of permanently affordable (deed restricted) housing units for lower and moderate income rental units (30 to 60 percent AMI) and homeownership units that can serve households earning 60 – 150 percent of the AMI. The city remains committed to achieving the following permanently affordable housing outcomes (deed restricted) on the site:

Desired Affordable Income Levels, Rents and Home Prices

City Goal: 50% of all residential units on the site are permanently affordable.

Rental		Affordable Rents *(per month)						City Desired Outcome
Income Level for Rents	Income levels of households that typically occupy these units.	0 Bedroom <474 sq. ft.	0 Bedroom > 475 sq. ft.	1 Bedroom	2 Bedroom	3 Bedroom	Housing at these rents should comprise between 15% - 25% of units	
30% AMI	0 - 30% AMI	\$349	\$498	\$533	\$640	\$739		
40% AMI	30 - 40% AMI	\$465	\$664	\$711	\$854	\$986		
50% Ami	40 - 50% Ami	\$581	\$830	\$889	\$1,067	\$1,232		
60% AMI (IH low)	50 - 60% AMI (IH)	\$697	\$996	\$1,067	\$1,281	\$1,479		
Ownership								
Income Level for Prices		Affordable Sales Price** (attached home)						Housing at these prices should comprise between 20% - 35% of units
70% AMI (IH mod)		60 - 80% AMI (IH)	N/A	N/A	\$146,000	\$174,000	\$202,000	
80% AMI (MI)		70 - 100% AMI	N/A	N/A	\$176,000	\$209,000	\$241,000	
100% AMI (MI)		90 -120% AMI	N/A	N/A	\$233,000	\$274,000	\$314,000	
120% AMI (MI)		110 - 150% AMI	N/A	N/A	\$290,000	\$339,000	\$387,000	

*Rents are adjusted annually. Rents shown are the maximum allowable and may be reduced. Rents do not include parking but do include an average utility allowance.

**Prices are adjusted quarterly and are set at a level affordable to target income levels. However, incomes used to qualify potential buyers are 10 - 20% higher. This ensures a large enough pool of qualified buyers. Ability for a household to purchase depends on amount of the down payment, credit score and other variables. Prices are rounded to the nearest thousand. Prices do not include parking but do include HOA fees and utilities.

If the permanent affordable rental units are financed with Low Income Housing Tax Credits, proposals should include a portion of the units as Permanent Supportive Housing serving households earning up to 30 percent AMI. Proposed, permanently affordable

rental housing should be owned and managed by a housing authority or other non-profit housing organization with experience in this type of housing.

In addition to offering a mix of housing tenure and affordability, the city is seeking proposals that offer diversity in unit types and bedroom counts serving a variety of housing needs. Diversity of unit types may vary from micro-units to townhomes (350SF – 1400SF). Proposed bedroom mix should serve a variety of household types (singles, couples, families with children and other dependents, extended families, non-traditional households, seniors). To expand the housing options and opportunities, proposals are asked to explore the inclusion of co-housing or cooperative housing options as defined below.

Co-housing is a type of intentional community that provides attached or detached dwelling units with all the features of conventional homes *and* shared community facilities (e.g., open space, courtyards, playground, common house, community kitchen). Members of a co-housing community agree to participate in democratic governance and group activities and members are typically involved in the planning and design of the co-housing project. Additionally, cohousing communities often have shared amenities such as dining and kitchen areas and community spaces.

Cooperative housing is a form of rental or ownership housing where unrelated individuals live in one or more residential buildings owned by a membership-based corporation. Cooperative housing is characterized by shared management and consensus (i.e., arriving at a common decision rather than voting) or other egalitarian governance. Cooperative rental housing typically features shared common areas (e.g., kitchen, community room, bathrooms) and private bedrooms, though there are many variations on this model.

Parking and Access

As conceived in the Transit Village Area Plan, Boulder Junction is a transit-oriented development that was designed to maximize multimodal access, manage parking and ensure that vehicle trip generation did not increase as land uses within the planning area changed from light industrial to mixed use commercial and residential with increased density. To accomplish this vision, the city implemented two overlapping general improvement districts (GIDs) – one for Parking and one for Travel Demand Management (TDM) – and a trip generation allowance ordinance. When properties are redeveloped in Boulder Junction, they each pay payment in lieu of taxes (PILOT) fees for two years so that the TDM programs (described below) can be offered immediately to residents and employees. After those two years, when the property taxes have been re-assessed based on new land use designations, they will continue to pay taxes to both districts in perpetuity.

The first GID collects property tax to fund a Parking Access District. The purpose of this taxing district is to provide shared structured parking over time to be used by employees, residents, and visitors to Boulder Junction and to holistically manage both structured and on-street parking.

The second GID collects property taxes to fund the Transportation Demand Management (TDM) Access District. The purpose of this district is to provide the programs and services to residents and employees that make using multimodal options more convenient and less

expensive. Currently, the TDM Access District provides all residents and employees in the district with:

- RTD Eco Pass, an unlimited use transit pass for all RTD bus and light rail services in the Denver-Metro area.
- Half-priced annual membership to Boulder B-Cycle, the city's bikeshare system.
- Free membership to eGo Carshare and \$25 in credits to encourage use of the service.

It is possible, depending on the final outcome of the redevelopment, that some or all of the existing site may end up in a non-profit ownership situation, and thus tax exempt. In such a case, the payment for and provision of benefits will be governed by agreement between the final property owner and the city.

Parking Management Options

By code, residential parking is limited to one space per unit and must be unbundled from residential leases or deeds. Parking management within Boulder Junction is guided by the SUMP principles: shared, unbundled, managed, and paid.

All parking managed by the city is shared amongst day and night uses and between users. All residential parking is unbundled from leases so that residents without vehicles do not have to pay for parking they do not need. Residents pay for their parking space and, if necessary, can purchase additional parking from the district.

Proposers will need to describe the parking that will be built on the site and a recommended plan for managing the parking. Plans should include, at minimum:

- Where residential and commercial parking will be located.
- How an unbundled parking program for residents will be managed and regulated.
- The estimated cost of each residential parking space per month.
- How the additional on-site parking serving non-residential uses will be managed.

When developing a proposed parking management plan, proposers should consider the following options:

Private Ownership and Public Management

The city's preference is to have all on-site parking managed by the Boulder Junction Parking District, which would be facilitated by a parking management agreement between the developer and the District. This agreement would ensure that parking supply and demand are monitored and managed for the mutual benefit the developer, the District, and the residents, businesses, and employees of Boulder Junction by maximizing revenue and utilization. At some point in the future, as the parking district matures, the city may want to purchase some or all of the parking associated with the site, and language to preserve that option may become part of the overall development agreement or subsequent agreements related specifically to parking.

Private Ownership and Private Management

If the proposer determines it is more beneficial for parking to be managed privately, the management will still be required to conform to the same principles and policies used by the Parking District, including the SUMP principles of parking management: shared, unbundled, managed, and paid. Unbundled parking spaces costs must be set at market rates and day-time and night-time uses will share on-site parking. Appropriate regulations will be part of the development agreement to ensure ongoing compliance and enforceability.

Additional Parking

Proposers also have the option of constructing additional parking on the site that can be leased to and managed by the Boulder Junction Parking District. Permits for this additional parking can be sold by the District to other residents and employees of Boulder Junction.

Pocket Park and Bicycle Shelter

The northeast portion of the site, approximately 0.75 acres as noted on the above map, will be a city park. The project is budgeted and under the management of the city's Parks and Recreation Department. Design will commence in 2017 with construction to take place in 2018. The construction timeline is tentative and will be coordinated with the construction schedule for the site redevelopment as appropriate. Park design and design of the city site at the northeast edge will need to be coordinated as each complements and relates to the other. Proposers should be aware of this fact and consider the future existence of a city park when developing a proposal.

In addition, Community Cycles, a local non-profit, has secured a grant to construct a bicycle shelter in the park or in the vicinity. Planning, design, and construction will take place on a similar timeline to that of the park and will also need to be coordinated with design of the city site.

Other Infrastructure Considerations

Electric Transmission Lines: The transmission lines on the west side of the site will be buried underground as part of the redevelopment. Proposers should account for this cost.

30th Street On-Street Parking: There is a possibility that 30th Street, in the vicinity of the city site, could one day receive a different designation within the city's street hierarchy. If that were to occur, the block in question could require on-street parking, which would be publicly managed. As a result, site redevelopment must allow for this possibility. The city's 2016 scenario analysis reflects this possibility.

Sustainability

The city has adopted aggressive goals in the area of sustainability, with an emphasis on reducing the community's impacts on climate change. The city's regulatory framework is similarly rigorous and proposers must meet all minimum requirements of the building, land use, and energy codes.

To advance industry practice and encourage innovation in sustainable design, however, this RFP seeks the participation of the very best architects, engineers, builder and developers to go beyond minimum requirements. The City of Boulder is seeking creative pathways to achieving Boulder's goals related to energy, climate, waste, and transportation. Therefore, responses will be evaluated on their ability to incorporate any

number of the following sustainable elements. Please note this list is not exhaustive and is intended to represent the types of desired design elements.

Desired Design Elements and Practices (beyond minimum requirements)

Category	Desired outcome
Overall Design Standard	Achieve and surpass the USGBC's LEED for Homes Platinum requirements.
Energy	
Fuel Source	To facilitate the city's transition from fossil fuels to clean energy sources, Boulder encourages minimizing or excluding the use of natural gas. Future development should transition to all-electric energy supply maximizing onsite, renewable generation options.
Energy Monitoring	End use sub-metering which feeds into a real time energy monitoring systems for occupants.
Energy Efficiency and Renewable Energy	On-site renewable energy generation and clean energy sources with potential storage surpass the net annual energy needs of the buildings.
Energy Storage and Resilience	It is expected that projects will use existing electrical services when on-site renewable energy generation does not meet site loads. When on-site energy generation exceeds building loads, storage technologies should be integrated to maintain load requirements during times of extended outage (3+ days).
Other	
Waste Management	Buildings and materials used in construction (including exteriors and interiors) maximize the use of recycled content, recyclable, and/or reused (salvaged) materials and reduce transportation emissions and support local economy by using materials that are extracted, processed and/or manufactured locally.
Water Use	Use innovative strategies to minimize water use (both indoor and outdoor).
On-Site Food Production	Provide a dedicated portion of the site for onsite food production: gardens or planters with vegetables and/or edible nut- and fruit-bearing plants appropriate to the site.
Lighting	The landscape design should aim to minimize light pollution. Use the least amount of lighting equipment possible to achieve the goals of the project and comply with Boulder's lighting ordinance.

Affordable Commercial Space

The form-based code and the city's preliminary analysis has accounted for some amount of ground floor commercial space in the project (planning level estimates indicate approximately 21,000 sf). Given rising rents in Boulder in recent years, there is a desire to explore models for permanently affordable commercial space which would help preserve smaller, local businesses that find it hard to compete with regional or national restaurants, retailers, etc. when it comes to rent. Proposers are encouraged to include ideas for affordable commercial space to support local businesses or non-profit organizations.

Project Feasibility and Tradeoffs

The city is aware of the ambitious nature of this project, and of this RFP. Proposal evaluators are broadly knowledgeable, and in some cases deeply knowledgeable, about real estate development and finances. Proposers are expected to meet the minimum parameters for the city's development vision and attempt to maximize the outcomes in other areas. The priorities placed on different outcomes are reflected in the selection criteria later in the RFP. As a result, proposers are invited to explain how different priorities might be in conflict or where tradeoffs might be required. In addition, if such tradeoffs can be alleviated through the introduction of additional subsidy, that should be noted as well.

BACKGROUND DOCUMENTS

Additional Background Information

Proposers are encouraged to consult the following background information:

- Transit Village Area Plan
<https://www-static.bouldercolorado.gov/docs/transit-village-area-plan-1-201304181551.pdf? ga=1.117947529.1456550588.1423177721>
- Oct. 25 study session materials (Also attached)
https://www-static.bouldercolorado.gov/docs/2016.10.25_SS-1-201610131438.pdf
- Summary of Oct. 25 study session (Also attached)
<https://documents.bouldercolorado.gov/weblink8/0/doc/138033/Electronic.aspx>
- Middle Income Housing Strategy
https://www-static.bouldercolorado.gov/docs/Middle_Income_Housing_Strategy_October_2016-1-201611221422.pdf? ga=1.244298501.1456550588.1423177721
- Climate Commitment
https://www-static.bouldercolorado.gov/docs/January_Climate_Commitment_Draft_1.17_low_res-1-201701241028.pdf? ga=1.47037479.1456550588.1423177721
- Resilience Strategy
https://www-static.bouldercolorado.gov/docs/Resilience_Strategy_Final_Low-Res-1-201701120822.pdf? ga=1.47037479.1456550588.1423177721

EVALUATION and SELECTION APPROACH

Selection Process

Proposals will be reviewed by a committee of city staff. Following the initial review, a short list of finalists will be selected to make public presentations of their proposals. City staff will collect public feedback on the presentations and weigh it in the final evaluation. The staff committee will make a recommendation to the City Council as to which proposer should be selected to enter into a development agreement with the city.

Evaluation Criteria and Proposal Scoring

The following minimum requirements must be met on a “pass/fail” basis in order to be considered. Staff discretion will be used in making a determination as to whether a proposal passes or fails on the following topics:

- Any proposal that does not include a mixed-use project with a substantial amount of affordable housing and some ground floor commercial use will not be considered.

- Any proposal that is clearly out of compliance with City of Boulder regulatory requirements, including but not limited to zoning, form-based code, floodplain regulations, building code, and energy code will not be considered.
- Any proposal that does not clearly describe a proposed plan for parking operations and management will not be considered.
- Any proposal that does not include credible information supporting the proposer's qualifications, financial capacity, and overall ability to complete the project as envisioned will not be considered.

Beyond the "pass/fail" elements described above, the staff committee will use the evaluation criteria below both in its preliminary review of proposals and its final recommendation to the City Council.

Evaluation Criterion	Points
Percentage of permanently affordable housing units, both low-to-moderate and middle income.	25
Ability to meet other housing goals as outlined in the 2016 scenario analysis: <ul style="list-style-type: none"> • Variety of housing unit types and tenure (with an emphasis on ownership). • Variety of special needs, such as senior housing, permanently supportive or other creative housing solutions. 	20
Creative and high quality urban design and architecture. Examples of elements to be considered (not exhaustive): <ul style="list-style-type: none"> • How the plan responds to its transit-oriented surroundings, Goose Creek greenway, planned city pocket park, etc. • Internal and external street frontages. • Ideas for open space element, as required by the form-based code. • Massing and materials. 	20
Ability to meet additional goals such as permanently affordable commercial space and desired sustainability outcomes.	10
Qualifications, including past experience with affordable housing development and management as well as overall track record.	15
Public feedback from presentations	10
Total	100

PROPOSAL REQUIREMENTS and FORMAT

Proposals should include background information about the proposer, as well as a narrative describing proposer's plan for implementing the development vision and the financial approach to the project and the permanent ownership structure. The remainder of the proposal should take the form of a concept plan submittal, as described in more detail below. To this end, proposals should be structured as follows:

Background and Narrative

- Cover letter.
- Firm background and examples of similar or relevant projects.
- Clearly identify a single point of contact.
- Narrative describing plan for implementing the vision.
- Description of approach to project finances and permanent ownership structure.
- Last three years of financial statements (see note on confidentiality below).
- References.
- Any and all materials necessary to meet “pass/fail” requirements and support the committee’s decision making as reflected in the previous section on Evaluation and Selection, many of which will be included in the Concept Plan section below.

Concept Plan, per the city's standard Land Use Review process

- Context map, drawn to scale, showing the site and an area of not less than 300 feet radius around the site, including streets, zoning, general location of buildings, and parking areas of abutting properties.
- A scaled and dimensioned schematic drawing of the site development concept (18"x24" or 24"x36" folded to 9'x12") and an area of not less than 200 feet around the site, showing:
 - a. Access points and circulation patterns for all modes of transportation;
 - b. Approximate locations of trails, pedestrian and bikeway connections, on-site transit amenities, and parking areas;
 - c. Approximate location of major site elements, including buildings, open areas, natural features such as watercourses, wetlands, mature trees, and steep slopes; and
 - d. Proposed land uses and approximate location.
- A break-out of housing types, sizes, affordability AMIs and tenure.
- Trip generation analysis and trip distribution analysis in accordance with sections 2.03(J) and 2.03(K) of the City of Boulder Design and Construction Standards.
- Approach to parking and access to meet stated goals as detailed earlier in the RFP.
- Architectural character sketches showing building elevations and materials; and
- A written statement that describes, in general how the proposed development meets Title 9, “Land Use Regulation,” B.R.C. 1981, city plans and policies, and addresses the following:
 - a. Techniques and strategies for environmental impact avoidance, minimization, or mitigation;
 - b. Techniques and strategies for practical and economically feasible travel demand management techniques, including, without limitation, site design, land use, covenants, transit passes, parking restrictions, information or education materials or programs that may reduce single-occupant vehicle trip generation to and from the site; and
 - c. Proposed land uses and if it is a development that includes residential housing type, mix, sizes, and anticipated sale prices, the percentage of affordable units to be included; special design characteristics that may be needed to assure affordability.
- Any other information that the applicant wishes to submit.

Please submit 10 hard copies of proposal materials and one copy on electronic media, preferably a USB device.

Confidentiality

The city will hold as confidential any financial information to the extent required under the Colorado Open Records Act. If proposers wish for information to be considered confidential, it must be clearly marked as such. The city assumes no responsibility for defending lawsuits seeking the release of records under CORA.

SCHEDULE

TENTATIVE SELECTION SCHEDULE

RFP issued	March 10, 2017
Question Period Opens (in writing only).....	March 13
Pre-proposal Meeting.....	April 12, 10 AM
	City Council Chambers, Boulder Municipal Building, 1777 Broadway
Question Period Closes.....	April 12
Q&A distributed via addendum.....	April 21
Proposals due.....	May 31, NOON
Proposers Notified of Short List*	June 16
Public Presentations of short-listed proposers.....	Week of July 10
Staff Recommendation/City Council Acceptance.....	August
Award and Beginning of Negotiations.....	September

*The city may request meetings or additional information from one or more proposers before finalizing the short list. This includes but is not limited to reference checks and additional financial information.

Development Timeline

Once a development agreement is executed, the city expects that redevelopment work will proceed on a reasonable timeline and will insist on enforceable deadlines in the agreement. The city believes the planning work completed to date, the public review of finalist presentations, and the administrative review process associated with the form-based code will help expedite the regulatory review and approval process.

PROJECT CONTACT INFORMATION and QUESTIONS

Upon release of this RFP, all communications concerning the RFP should be directed to the RFP Co-Coordinators listed below. Any communications will be considered unofficial and non-binding on the city.

Inquiries should be directed to:

Name: Kurt Firnhaber
 Deputy Director for Housing
Address: City of Boulder
 Department of Planning, Housing, and Sustainability

1300 Canyon Boulevard
Boulder, Colorado 80302
Telephone: 303.441.4424
E-mail: firnhaberk@bouldercolorado.gov

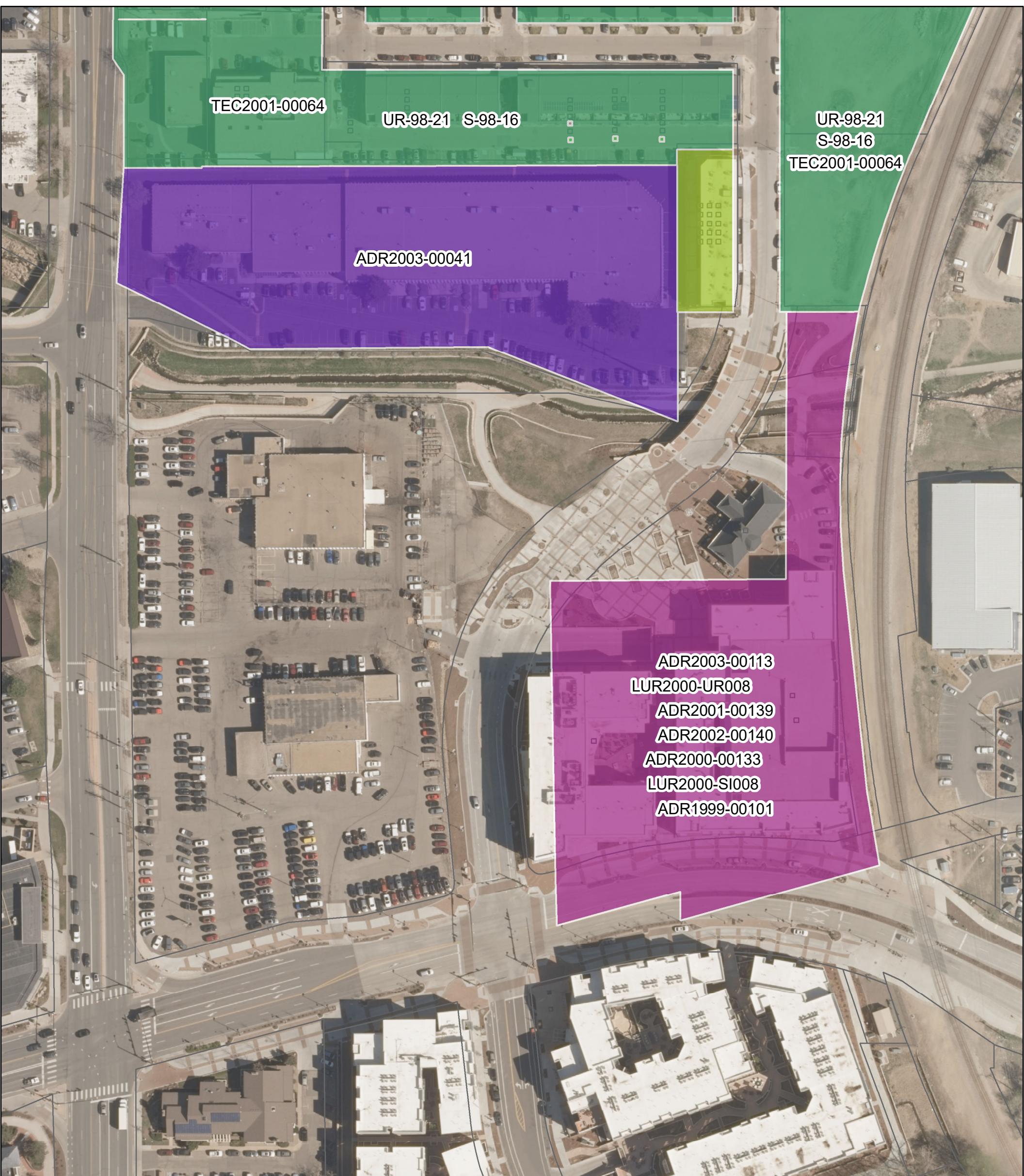
Inquiries *specifically regarding the concept plan component of the RFP* should be directed to:

Name: Charles Ferro
Development Review Manager
Address: City of Boulder
Department of Planning, Housing, and Sustainability
1739 Broadway
Boulder, Colorado 80302
Telephone: 303.441.4012
E-mail: ferroc@bouldercolorado.gov

Questions will be accepted in writing beginning on March 13, 2017. City staff will attempt to answer as many questions as possible at the Pre-proposal Meeting scheduled for April 12. All questions received by the end of the Question Period, including those from the Pre-proposal Meeting, will be answered, to the best of the city's ability, via addendum no later than April 21, 2017.

Pollard Redevelopment

Map 1: Planned Unit Development (PUD)



Parcels

2016 Aerial Photography

0 80 160
Feet

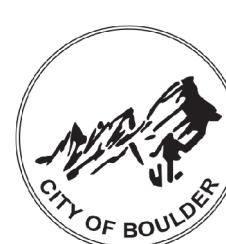


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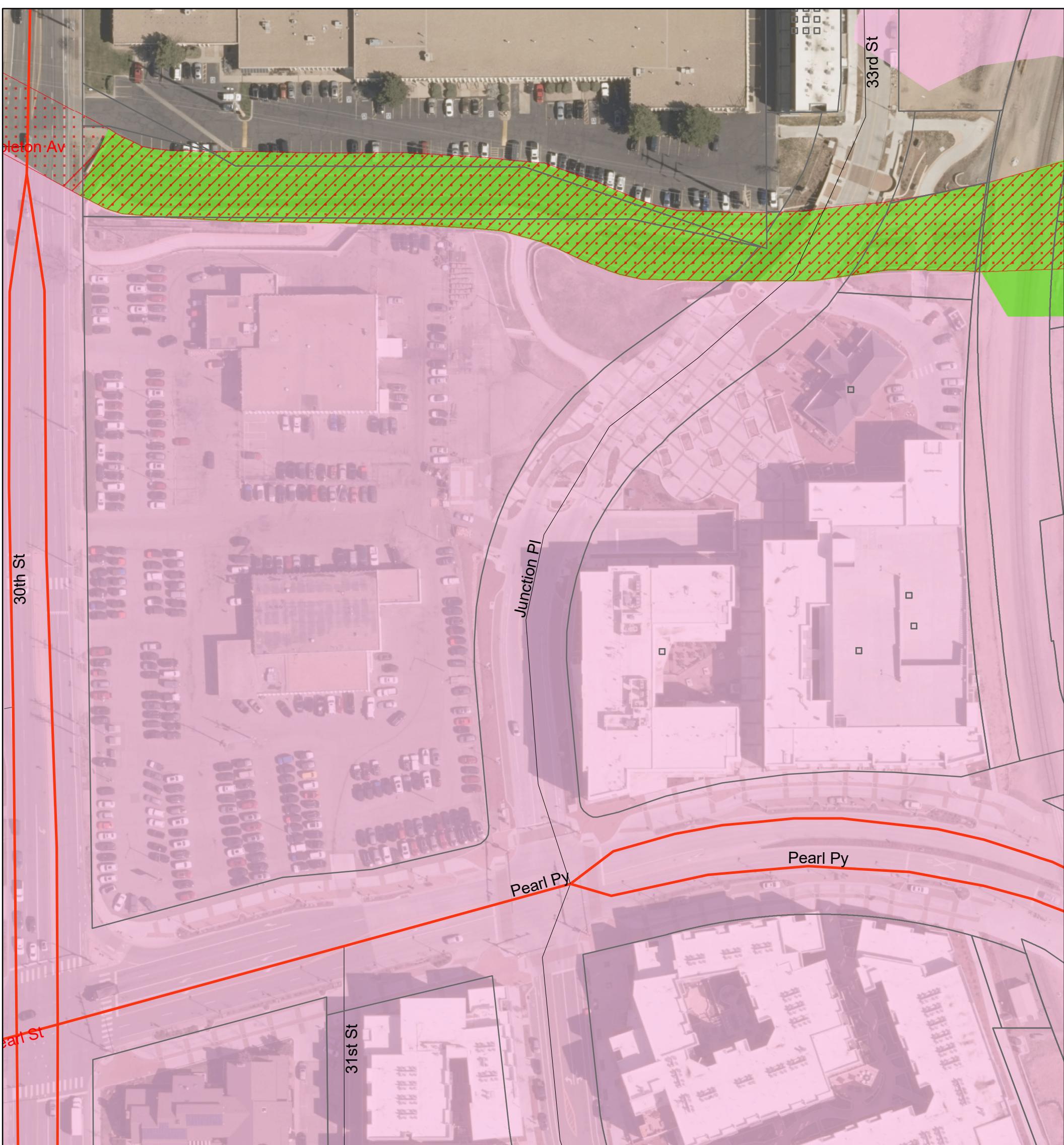
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Pollard Redevelopment

Map 2: Flood Zones



Parcels

Arterial

Residential

2016 Aerial Photography

High Hazard Flood Zone

Flood Conveyance Zone

100 Year

500 Year

0 75 150



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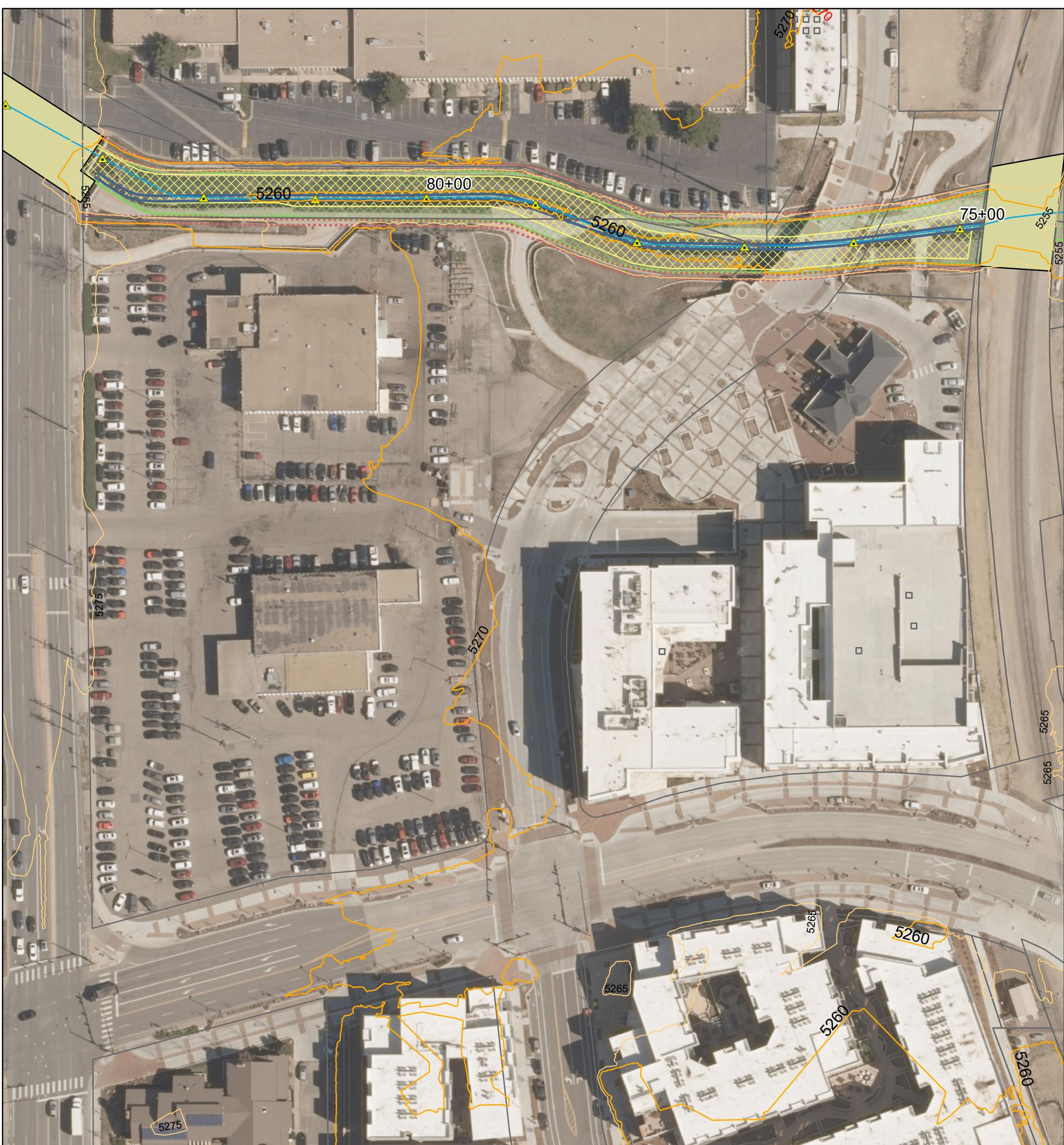
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Pollard Redevelopment

Map 3: Drainage & Contours



- Parcels
- 5 Foot Contours
- 10 Foot Contours
- 20 Foot Contours
- 2016 Aerial Photography

- ▲ Drainageway Stations
- Drainageway Center Line
- Retaining Wall
- Low Flow Channels
- Culverts
- ▨ Erosion Protection
- ▨ Improved Channels

0 75 150
Feet



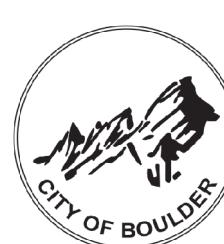
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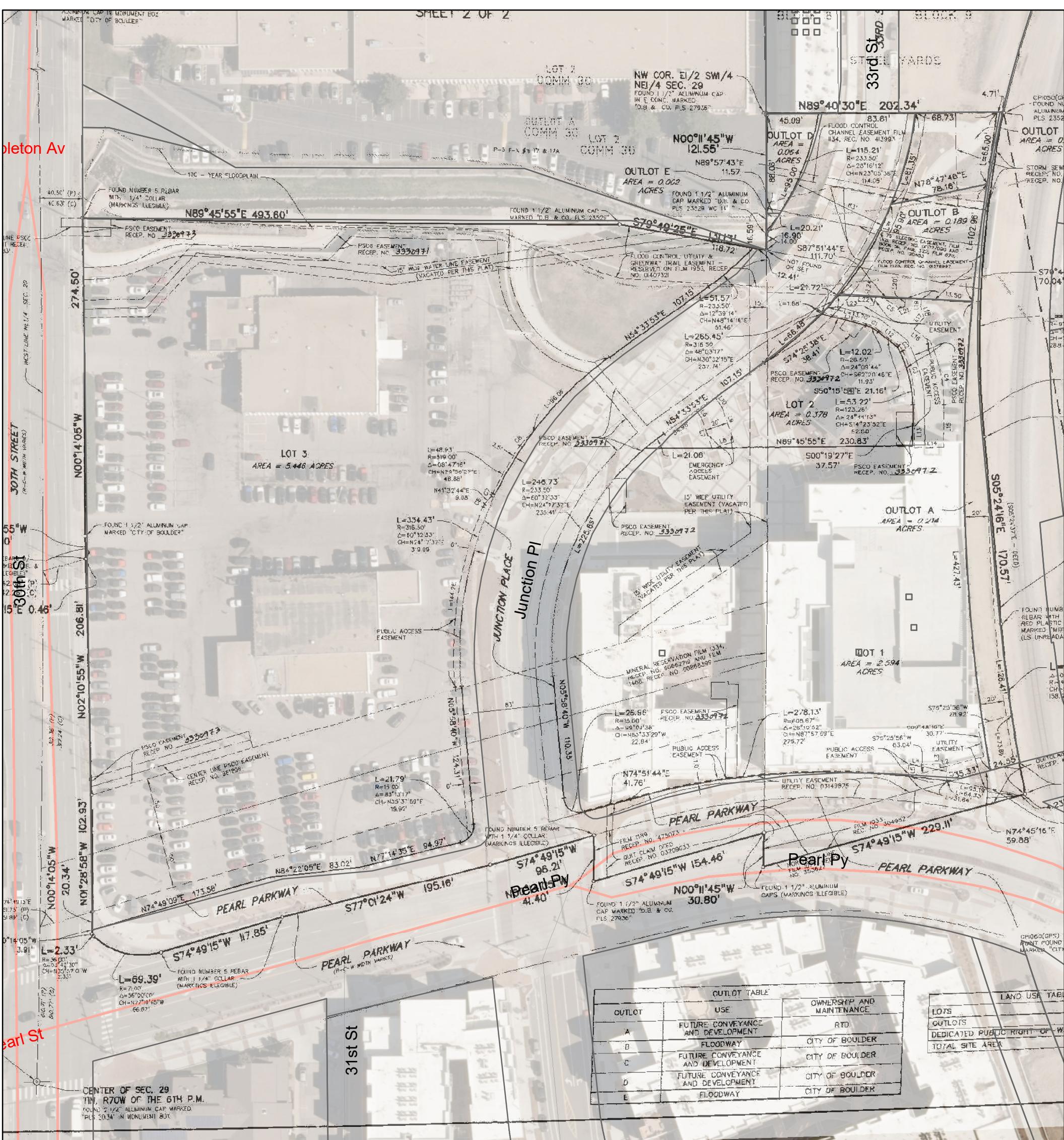
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Pollard Redevelopment

Map 4: Boulder Transit Village Subdivision Replat A



0 75 150
Feet



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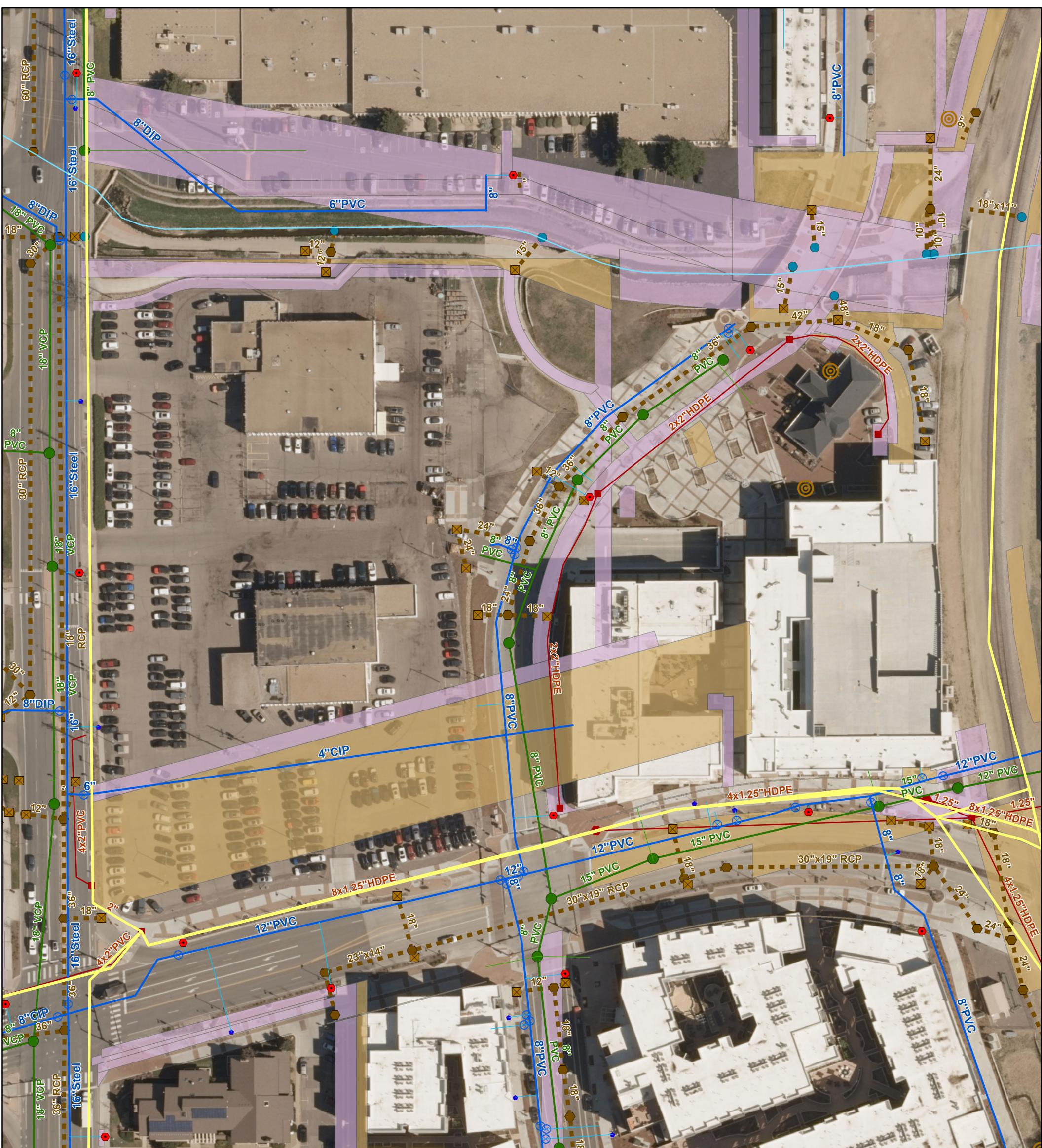
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Pollard Redevelopment

Map 5: Utilities & Easements



Parcels

- Fire Hydrants
 - ⊗ Water Valves
 - Water Laterals (approx location)
 - Water Meter Pits
 - Water Mains
 - Sewer Service (approx location)
 - Sewer Manholes
 - Sewer Mains
 - City Telecom Handhole
 - City Telecom Manhole
 - City Telecom Conduit
 - Fiber Optic Cable

Easements

- Surface
 - Utility
 - ◆ Storm Manholes
 - ▣ Storm Inlets
 - Storm Outfall
 - Irrigation Gate
 - Drainage Mains
 - ◎ Drainage Detention

- Aqueduct
 - Creek
 - Intermittent Creek
 - Ditch
 - Lateral
 - Tailings

2016 Aerial Photography

A horizontal number line starting at 0 and ending at 150. There are tick marks at 0, 75, and 150. The word "Feet" is written below the line.



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Planning and Development Services



BOULDER TRANSIT VILLAGE SUBDIVISION REPLAT A

A REPLAT OF LOTS 1, 2 AND 3, BOULDER TRANSIT VILLAGE SUBDIVISION, LOCATED IN THE

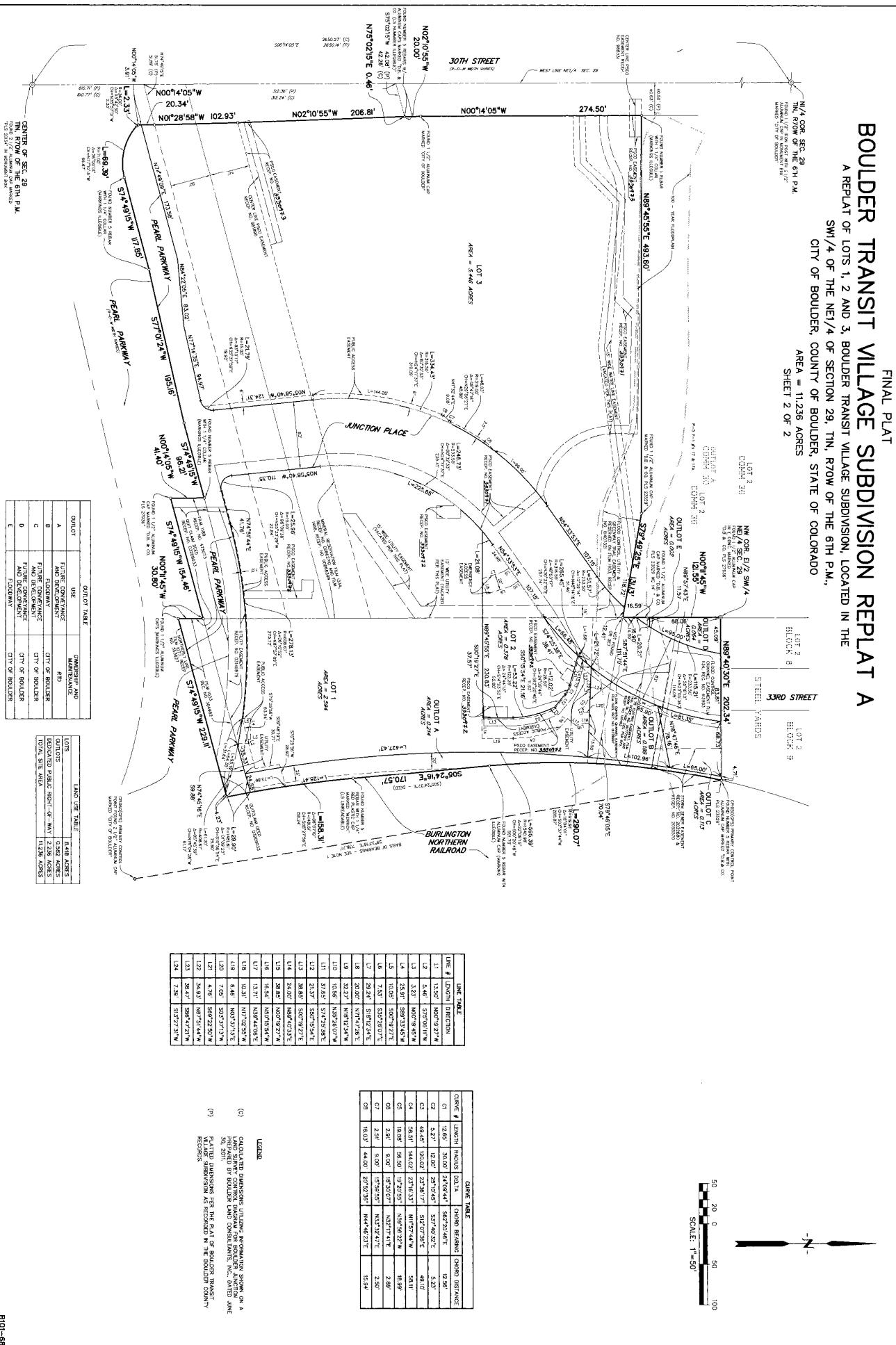
SW 1/4 OF THE NE 1/4 OF SECTION 29, TIN, RROW OF THE 6TH P.M.,

CITY OF BOULDER, COUNTY OF BOULDER, STATE OF COLORADO

AREA = 11.236 ACRES

SHEET 2 OF 2

FINAL PLAT





STUDY SESSION MEMORANDUM

TO: Members of City Council

FROM: Jane S. Brautigam, City Manager
David Driskell, Executive Director of Planning, Housing and Sustainability
Susan Richstone, Deputy Director of Planning
Kurt Firnhaber, Deputy Director of Housing
Molly Winter, Director of Community Vitality
Eric M. Ameigh, Public Works Projects Coordinator

DATE: Oct. 25, 2016

SUBJECT: 30th and Pearl Redevelopment Scenario Analysis

I. PURPOSE

The purpose of this study session is to solicit council feedback on a representative range of potential redevelopment options of the city-owned site at 30th and Pearl. Council's input and guidance on the preferred development direction will shape the next steps. Staff, in collaboration with consultants from Coburn Development, has prepared a collection of redevelopment scenarios which meet the city's goals for the site, but which also illustrate the extent to which a focus on any one specific goal can alter the development outcome.

The purpose of the study session is not to make final decisions on site redevelopment, including mix of uses and site design, but rather to provide parameters for a future request for proposals (RFP). The feedback provided by council will assist staff in crafting an eventual RFP for site redevelopment.

II. QUESTIONS FOR COUNCIL

1. Does council have questions about the potential redevelopment scenarios?
2. Does council agree with the analysis of pros and cons related to the scenarios?
3. Does council agree with the application of the draft middle income housing strategy to redevelopment of the site?

4. Does council agree with the recommended approach to a Preferred Alternative?

III. BACKGROUND

A comprehensive update on development activities in the Transit Village Area Plan (TVAP) was provided to council in October 2015. The memo, which can be found [here](#), also includes an extensive background on the city-owned site and the area planning effort.

Transit Village Area Plan

The TVAP was adopted in September 2007 after a planning effort that began shortly after the acquisition of the Pollard Motor property in 2004. The plan outlines a set of goals and objectives for achieving a broad vision established for the 160-acre Transit Village Area, including the following main goals.

Goal 1: *Create a well-used and well-loved, pedestrian-oriented place that includes a special character, a mix of retail and commercial uses, a significant amount of housing and engaging, convenient and safe pedestrian and bike connections.*

Goal 2: *Support diversity through land use and travel options that expand opportunities for employees and residents of differing incomes, ethnicities, ages and abilities by including a variety of housing types at a range of prices from market rate to affordable; services that support residents, adjacent neighbors and businesses; support for locally owned and minority-owned businesses in the area; public spaces to celebrate diverse ethnicity; space for nonprofit organizations; and affordable spaces for retail, office and service industrial uses.*

Goal 3: *Enhance economic vitality:* Increase economic activity for businesses, increase revenues for the city of Boulder, reduce transportation costs by including neighborhood-serving retail uses and regional retail uses that complement the large investment of the Twenty Ninth Street project, and provide convenient and safe connections to downtown and to Twenty Ninth Street. Provide additional office uses in locations close to the future transit facilities and new residential areas. To enhance economic vitality, the city should develop a realistic economic development plan that includes implementation techniques for public/private partnerships.

Goal 4: *Connect to the natural and built environment:* Create a place that reflects Boulder's commitment to environmental sustainability and "green" development, is integrated with the natural features in the area, and connects to the larger city fabric. Include innovative "green" energy-efficient site planning, architecture and urban design. Develop an overall storm water management plan for the area in lieu of property-by-property storm water detention. Provide connections to existing natural amenities such as the Goose Creek greenway, the Boulder Slough (ditch) and Boulder Creek, and take advantage of views and view sheds from key locations.

Goal 5: *Maximize the community benefit of the transit investment:* Locate homes and employment to maximize access to local and regional bus service, future commuter rail and bus rapid transit, and to allow for a pedestrian-oriented lifestyle. Develop lively and engaging commuter rail and regional bus locations. Improve the balance of jobs and housing in the community through new mixed-use neighborhoods in areas close to multiple transit facilities. Develop and adopt managed parking strategies; reduced parking requirements in the hub; and

transportation demand management strategies. Encourage multimodal access and mobility within the area and to the rest of Boulder.

Goal 6: *Create a plan that will adapt to and be resilient for Boulder's long-term future:* the plan builds in flexibility, allowing for serendipity and changes in use over time and provides for increased density in targeted locations.

City-owned Site at 30th and Pearl streets

In 2004, the city purchased eight acres on the west portion of the Pollard Motor site for mixed-use development, and RTD purchased 3.2 acres on the east portion for a transit facility. As part of the purchase agreement, Pollard Motor retained a lease to occupy the western 5.5 acres of the site through 2016. The site was acquired for \$9.5 million and funded through the following sources:

1. \$2.5 million in funding from RTD;
2. \$2.1 million in Community Housing Assistance Program (CHAP) funds;
3. \$2.4 million borrowed through a Fannie Mae line of credit established with council approval and repaid with the city's local affordable housing funds; and
4. \$2.5 million financed by Pollard (terms: 6.5 percent interest with monthly payments)

The city's goals when it purchased its portion of the site were to:

- advance Boulder's long-range vision for a TOD that maximizes public investment in multimodal transportation, infrastructure improvements and affordable housing;
- create a mixed-use development with predominantly residential uses and some supporting commercial uses as determined by a future market study;
- create a range of housing types;
- create a substantial amount (up to 50 percent) of permanently affordable housing, with the remaining 50 percent of the housing sold or rented at market rates; and
- create a mix of ownership and rental housing at a range of 220 to 300 units.

Chapter 3 of the TVAP, titled "Urban Design," envisions that the city-owned site will be used to create a new transit-oriented, mixed-use neighborhood that is predominantly residential, with some retail and office space. Located in the Pearl Street Center District of the planning area, it is envisioned as a high-intensity mix of housing and associated commercial uses, capitalizing on its central location and the regional bus facility. Up to half of the residential units on the city-owned site are envisioned as permanently affordable housing for low- to moderate-income, primarily workforce, households and/or targeted to hard-to-serve populations that would greatly benefit from proximity to transit, such as people with disabilities.

The city has leased 4.3 acres of the 5.45-acre property to Pollard Friendly Motor Company through Oct. 30, 2016. The original lease ran through Oct. 30, 2014, but Pollard exercised an option in the lease to extend to 2016 and also to purchase a portion of the city's Municipal Service Center as a site to relocate its business. Pollard is currently working to complete construction at its new location.

IV. ANALYSIS

The approach to the future development of the site has been to plan for an issuance of a request for proposals (RFP) closer to the time when the lease with Pollard Motors expires. Similar to the

successful process for developing Depot Square, a RFP is envisioned to be used for development of the site, which could include identified criteria for success to guide proposals while allowing a high level of creativity and a range of design solutions. The city may, at that time, provide the land at little or no cost in return for the delivery of specified community benefits as part of a comprehensive development proposal. Those benefits would include specific unit types and mix as well as income levels, but could also include other priorities.

Following a comprehensive update on TVAP implementation in October 2015 and workplan conversations in early 2016, council directed staff to study potential redevelopment options for the purposes of determining the parameters for an eventual RFP for site redevelopment.

Consultant services for assistance with scenario planning were procured through a competitive qualifications-based process in the spring of 2016. Coburn Development of Boulder was selected to assist staff in developing representative scenarios that would help guide the discussion by illustrating opportunities, constraints, and the tradeoffs inherent in different choices.

Coburn and staff worked collaboratively throughout 2016 to build scenarios that would do the following:

1. Meet, to the greatest extent possible, the goals of TVAP as well as the site acquisition goals.
2. Comply with the recently adopted Form Based Code (FBC) for the site.
3. Take into account existing market conditions.
4. Maximize the value of the site where possible to facilitate achievement of policy goals.

The scenarios focused on development assumptions and rigorous testing. The foundation of the scenarios comes from a robust pro forma analysis which details the project's financials under different circumstances. *Urban design and architecture were studied only so far as to test the physical viability of various use mixes and to ensure conformity with zoning and the FBC. This is illustrated at a high level through the use of bulk and massing diagrams. More detailed design work will take place through the eventual development and review processes once a development partner(s) has been determined.*

Analysis Assumptions and Constraints

In developing the scenarios, it is important to note that the city site is not a blank slate and not just anything can happen there. Its future is governed by a number of factors, including past policy decisions and market realities. The scenarios take these assumptions and constraints seriously.

Policy and Planning History

The city site, as detailed in the Background section, has an extensive planning history, including a longstanding focus on housing and affordable housing as an end use. The scenarios meet existing goals in different ways but all are more or less in alignment with TVAP goals and responsive to more recent developments such as the FBC pilot and the draft middle income housing strategy.

Regulatory

The goals of TVAP as they relate to use, urban design, and architecture are brought to life on the site partially through zoning and the FBC. Per TVAP, the site is planned for Mixed Use 2 where the predominant uses in mixed-use areas could be business or residential, with homes mixed vertically (above businesses) or horizontally (residential buildings next to commercial buildings.) Page 17 of TVAP notes that Mixed Use 2 areas allow “*three- to four-story mixed use buildings around a floor area ratio (FAR) of 1.5 to 2.0. Predominant use may be business or residential.....parking would be “mostly structure or first floor parking; may have some surface parking.*” More specifically, the site is within a sub district of TVAP entitled the “Pearl Street Center District.” The Pearl Street Center district is described as an area that will “*become a high-intensity mixture of housing and retail, capitalizing on its central location and the future regional bus facility.*”

The site is zoned MU-4. MU-4 areas are described as mixed use residential areas generally intended for residential uses with neighborhood-serving retail and office uses, and where complementary uses may be allowed. The site is also subject to the FBC, which supplements, and in some cases supersedes, the underlying zoning. The FBC establishes building form and design requirements for development within the area. The requirements implement the desired development, including functional characteristics, form, and design character and quality, as guided by previous plans.

All scenarios have been designed to meet not only regulatory purposes and intent, but also the “letter of the law.” At the level of design detail that has been offered through the scenarios, no deviations from the existing regulatory framework have been suggested.

Parking

The provision of parking has been assumed at a gross level for the purpose of building realistic scenarios. All scenarios include a mix of tuck under, on street parallel, and underground structured parking. Each scenario assumes approximately one parking spot per dwelling unit and one spot per 500 square feet of non-residential space. The assumed amount of on-site parking was driven by a variety of factors, including required development standards, marketability of housing units and retail space, and the existing capacity of the Boulder Junction Access District’s (BJAD-P) parking facilities. The ownership and management of the parking, including the role of BJAD-P, would be determined later, during the redevelopment process.

Highest and Best Use

An analysis of real estate sales and lease rates in the area during the spring of 2016 revealed that residential uses are the most valuable, reflecting the high level of demand for housing units in Boulder. The ranges of property values, as measured in dollars per square foot, were as follows:

Use Category	\$/Square Foot
Residential	\$475-\$529
Retail	\$313-399
Office	\$226-\$288
Land	\$46-\$63

Supply of housing in Boulder seemingly cannot keep up with demand and prices continue to rise. Any land that can be used for residential uses is rising in value accordingly. This is not to say

that office or retail uses are not viable, but to the extent the city hopes to harness the maximum value of the city-owned site for the purposes of achieving TVAP goals, it is best to plan for a heavily residential use. And, it follows, the more housing that can be built, the more valuable the site will be.

The uncertainty of retail feasibility means that too much neighborhood-serving retail space can negatively impact overall project finances. As such, each of the four scenarios allows for neighborhood serving retail at the ground level along Pearl and 30th streets, as called for in the TVAP's Pearl Street Center District Guidelines, but limits the total square footage to approximately 21,500 square feet.

Middle Income Housing Strategy

The Middle Income Working Group has completed its draft strategy for addressing the challenges of creating and maintaining middle income housing. This strategy defines a middle income goal to replace the 6 percent loss of middle income housing over the past fifteen years – a goal to create and preserve 3,500 middle income housing types that will include 1,000 deed restricted homes.

To accomplish this goal in part, through new construction, an increased level of affordability would be required above the current 20 percent. New developments would maintain the current 20 percent affordability for low and moderate income households; however, up to 60 percent of new units would be targeted at middle incomes, earning from 80 to 150 percent of the Area Median Income (AMI). A portion of these middle income homes would be deed restricted for permanent affordability.

To achieve this goal, strong support will be required to implement four main tools:

- 1) *Land Use and Policies* that will create more moderately sized homes on land currently zoned industrial and residential.
- 2) *Middle Income Community Benefit Zoning* to establish incentive based re-zoning that encourages additional housing opportunities.
- 3) *Inclusionary Housing* policies to include a middle income tier.
- 4) *Annexations* that require a higher level of middle income community benefit.

The draft strategy, which is being presented along with this item, is aspirational in nature. The percentage targets described above are subject to additional analysis and refinement. In point of fact, the 30th and Pearl redevelopment scenario analysis has revealed some challenges with achieving the targets. Additional information can be found in the memo for the Middle Income Housing Strategy item.

That being said, the four scenarios have been designed, to the greatest extent possible within the assumptions and constraints, to attempt to conform with the draft strategy. Three of the four scenarios include a minimum of 20 percent permanently affordable units for low-moderate income households and 10 percent permanently affordable units for middle income households, which are the envisioned inclusionary requirements under the draft strategy.

Unmet Goals of TVAP

TVAP sets a number of targets for new housing units, affordable housing units, and non-residential space (tables below). Progress has been made toward the goals as Phase 1 redevelopment has occurred, but the minimum targets have not yet been reached. Likewise, the city site has its own specific goals which also contribute to meeting TVAP goals.

Housing Unit Counts and Affordable Housing

TVAP projects 1,400-2,400 new housing units, of which 300-475 would be permanently affordable. To date, redevelopment has resulted in just over 1,000 total units and only 181 affordable units.

TVAP Total Metrics	Units	Perm. Affordable		Market Afford.	Other Market	Ownership
		Middle	Low-Mod			
Projected to add	1400-2400	300-475 total		1100-1925 total		Not specified
Phase 1 to date	1028	0	181	741	106	133
Minimum Difference	372	119 total		N/A		N/A
City Site Metrics						
Projected to add	200-300	100-150 total		100-150 total		Not specified

Range of Prices

Housing goals in TVAP include a desire for a range of prices, from market to affordable, to meet diverse needs. The plan specifically references workforce housing, senior housing, family housing, and housing for special populations such as those with disabilities. The addition of more permanently affordable housing units, for both low to moderate (low-mod) and middle income households, would increase the range of prices available.

Variety of Housing Types and Tenure

TVAP envisions a variety of housing types and a mix of rental and ownership units to serve a diverse collection of households. To date, stacked flats have been the dominant housing type and 87 percent of units in Boulder Junction are rentals.

Non-Residential Space (Including Retail)

TVAP includes a goal to “Incorporate neighborhood serving retail uses, as well as regional retail uses that will complement Twenty Ninth Street.” At the time the plan was completed, projections indicated potential demand for up to 10,000 square feet of neighborhood-serving retail. Small scale retail, while a critical component of vibrant neighborhood and street life, faces feasibility problems when there are too few people in close proximity to patronize the businesses.

TVAP Total Metrics	
	Non-Res. (sq. feet)
Projected to add	900K-1.4M
Phase 1 to date	650,000
Minimum Difference	250,000
City Site Metrics	
Projected to add	TVAP says TBD

The plan also suggested that the feasibility of larger-scale retail near Pearl & 30th streets would be investigated at a later date. Larger scale retail is also facing conditions different from those of the mid-2000s. Shifting consumer preferences and the rise of online shopping mean that retail

development is not a sure bet. Coburn's analysis of land values and lease rates in central Boulder indicate that retail is still a less valuable land use than residential in the neighborhood, reflecting different levels of demand for residential and retail space.

Urban Design and Neighborhood Character

The redevelopment of properties within the TVAP area is taking place according to the plan and the urban design improvements have been positive. The city-owned site will be expected to meet or exceed the standard set by recent redevelopment projects. To that end, the FBC pilot, born out of the Design Excellence initiative, will insure that the site reflects the high quality design and neighborhood character called for in TVAP.

Weighing Pros and Cons of Scenarios

Knowing which goals of TVAP remain unmet is helpful in determining the criteria for evaluation of the scenarios. The main purpose of developing and analyzing the various scenarios is to illustrate the different ways that the unmet goals can be met on the city-owned site. The weight given to different goals, however, can influence the development outcome, even though all scenarios might be minimally acceptable from a policy perspective. In fact, the scenarios all represent progress toward meeting outstanding TVAP goals, but they do so by each emphasizing the goals differently and thus revealing potential choices and tradeoffs.

In weighing the pros and cons of the scenarios, it is first important to note that certain attributes are the same across all of them. All scenarios are the same in the following ways:

1. Parking: All assume approximately one space per dwelling unit and one space per 500 square feet of non-residential space.
2. Use mix: All assume approximately 21,500 square feet of neighborhood-serving retail at ground level along 30th Street and Pearl Parkway, and adjacent to the Hyatt hotel, in line with TVAP and FBC. The vast majority of the site is dedicated to housing, including a large amount of affordable housing.
3. Site plan: The site plans for all scenarios are very similar, reflecting rigid adherence to the FBC.

What is more important for a meaningful analysis is the collection of ways in which the scenarios are different. They are different in the following ways:

1. Unit count: Different scenarios contain different numbers of total housing units.
2. Permanent affordability: The scenarios offer different numbers of permanently affordable housing units for low and moderate income households and middle income households.
3. Unit type variety: Some scenarios include only stacked flat units, while others offer a variety of stacked flats and lower density options such as townhomes.
4. Range of incomes served: All scenarios feature different combinations of low-mod affordable, middle income, and market rate units.

The differences between the scenarios are where the choices and potential tradeoffs can be found. Key questions upon which to judge the scenarios therefore include:

1. Because TVAP Phase 1 has not yet met its goals for total number of housing units, which scenario provides the most housing units?
2. Because TVAP Phase 1 has not yet met its goals for total number of permanently affordable housing units, which scenario offers the most permanent affordability?
3. Because TVAP Phase 1 has not yet met its goals for variety of housing types, which scenario adds the most unit type variety to the neighborhood?
4. Because TVAP is in need of more variety in rents and sales prices, which scenario offers the most price variety to the neighborhood?

Criteria for Evaluation - Does it meet TVAP Goals?				
Design Characteristics (i.e. meets FBC)	More units?	More Low-Mod Perm. Afford. units?	More unit type variety?	Range of incomes?

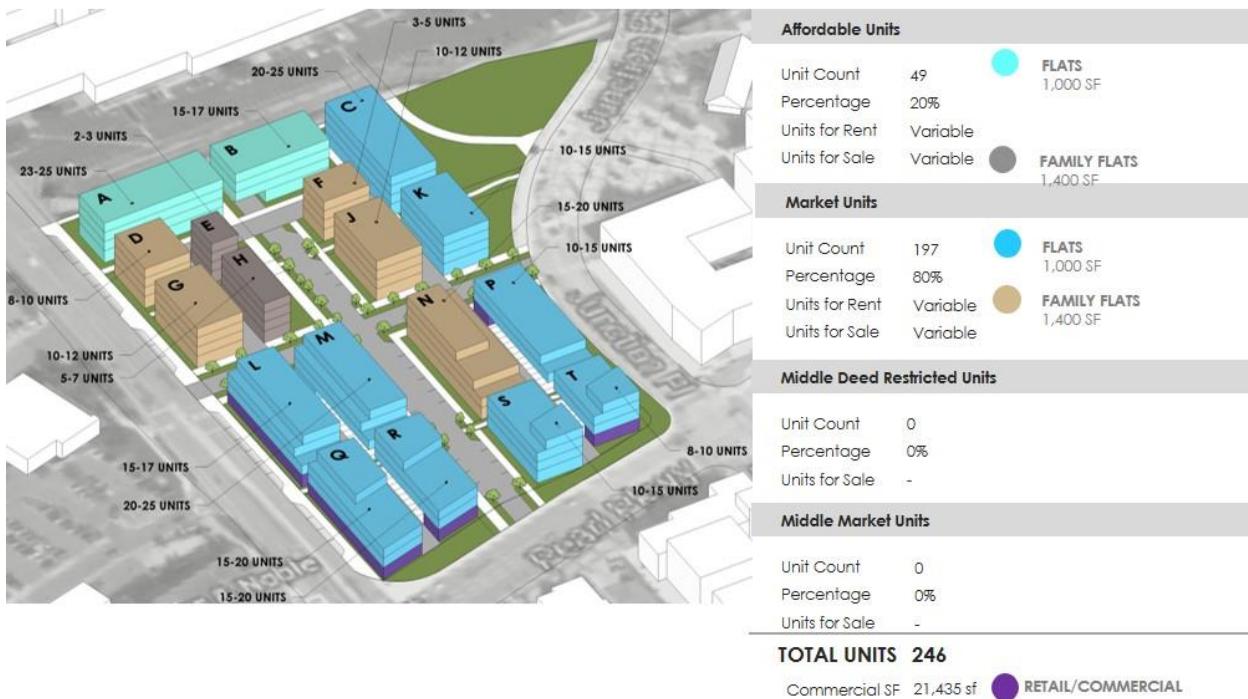
The Scenarios

Because the TVAP area has developed with 87 percent rental housing up to this point, the scenarios are weighted more heavily toward ownership units to improve the balance between rental and ownership. Stacked flats are the dominant type in all scenarios because they remain the most efficient way to build a large number of units in a constrained area. To decrease the number of flats substantially would mean to drastically reduce the number of units that could be built on the site.

The uncertainty of retail feasibility means that too much neighborhood-serving retail space can negatively impact overall project finances. As such, each of the four scenarios allows for neighborhood serving retail at the ground level along Pearl and 30th streets, as called for in the TVAP's Pearl Street Center District Guidelines, but limits the total square footage to approximately 21,500 square feet.

Scenario 1: Sell property, maximize density, achieve 20% onsite affordable

The first scenario features an outright sale of the property to a private residential developer with only one condition – that the inclusionary housing requirement is met on site. The scenario assumes the highest density possible, which produces 246 units. Twenty percent, or 49 units, would be on site permanently affordable units for low and moderate income households. The remaining 80 percent would be market rate units of unspecified tenure and type, determined by whatever is the most profitable for the developer. The sale price would be in the range of \$13-15 million. This scenario illustrates how the city could achieve some measure of success in meeting TVAP goals while maximizing sale revenue, with the opportunity to invest that revenue elsewhere in support of the community's housing goals. (The unit sizes and locations on the site are for illustration purposes only.)



Scenario 1 Summary – Compared to Evaluation Criteria

Meets FBC	Units	Low-Mod Perm. Afford. Units	Unit Type Variety	Range of Incomes
Yes	246	49	Unknown	20% Low-Mod Afford. 80% Market Rate

Pros:

- The scenario provides the maximum number of total units.
- It provides \$13-15 million in revenue.

Cons

- The scenario would not provide a percentage of affordable units approaching 50 percent.
- The scenario does not provide enough affordable units to help meet the TVAP area goals for affordable housing units.
- The scenario does not attempt to meet the draft middle income housing strategy.
- The focus on maximizing revenue will mean allowing the eventual developer to build whatever type of housing is most valuable within the existing regulatory framework. If the city is interested in imposing conditions beyond meeting inclusionary housing on site, then it is highly likely the sale price of the property would not maintain its expected value.
- The scenario would fail to take advantage of a significant opportunity to create a substantial number of new affordable homes in the geographic center of the city. The original acquisition of the site and the adoption of the TVAP reflected a strong commitment to locating affordable housing on the site in order to meet longstanding social equity goals and to maximize the transit investment at Depot Square.

Scenario 2: Retain property, maximize density, achieve 32% onsite affordable plus 19% ‘market rate middle income’ units

The second scenario also provides for 246 housing units, all in stacked flats. However, 22 percent of the flats are larger units at 1,400 square feet, able to accommodate families or other larger households. In this scenario, 20 percent of units are permanently affordable to low to moderate income households, 12 percent are deed restricted middle income units, and 19 percent are middle income market affordable, or “middle market” units.

Per the draft middle income housing strategy, middle market units are those that are affordable to households earning up to 150 percent of the area median income but are not deed restricted. Instead of deed restricting the units, they are allowed to appreciate but will likely always be affordable in relative terms due to smaller unit size, less desirable finishes, or other value limiting factors. In this scenario, and others, the middle market units are sized at 1,050 square feet.

In Scenario 2, the land will be contributed by the city.



Scenario 2 Summary – Compared to Evaluation Criteria				
Meets FBC	Units	Low-Mod Perm. Afford. Units	Unit Type Variety	Range of Incomes
Yes	246	50	22% Large Flats 100% Ownership	20% Low-Mod Affordable 12% Mid. Inc. Deed Restricted 19% Mid. Inc. Market Affordable 49% Market Rate

Pros:

- The scenario provides the maximum number of total units.
- It provides housing affordable to a broad range of incomes.
- Although only 32 percent of units are permanently affordable, an additional 19 percent are affordable to the middle market.
- One hundred percent of the units are for sale.

- The scenario offers 12 percent of the units as middle income deed restricted units.
- Twenty-two percent of the units are larger flats (1,400 square feet) that can accommodate families or larger households for whom very little housing has been provided in the TVAP area. 40% of the larger flats are permanently affordable to low-moderate or middle income households.

Cons:

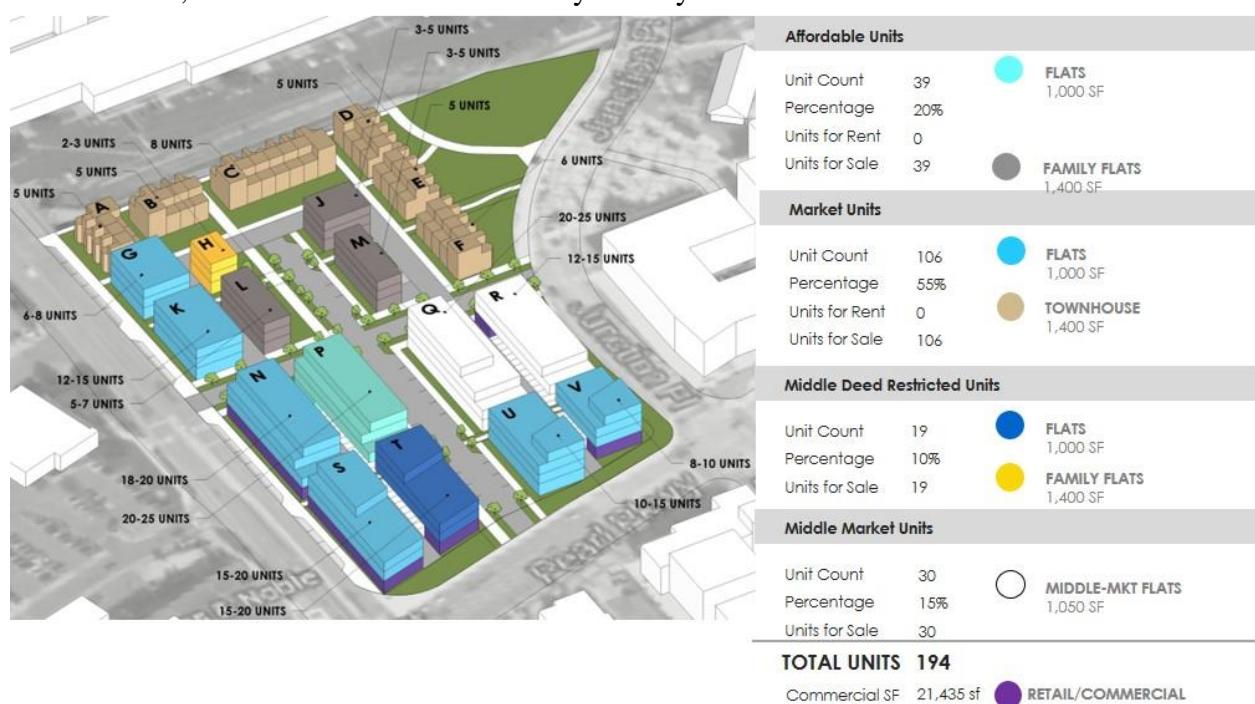
- The scenario only creates permanent affordability for 32 percent of the units.
- The housing units are all stacked flats, which is already the dominant housing type in the area. Goals for variety in housing types is not achieved.

Scenario 3: Similar to Scenario 2, but with 24% of units being family-oriented townhomes (fewer units overall, with 30% onsite affordable and 15% ‘market rate middle income’)

The third scenario has fewer units, at a total of 194. The scenario introduces a lower density housing type fronting on Goose Creek and the pocket park. For the purposes of this discussion, they are referred to as townhomes, but they could be rowhomes, courtyard housing, or another type. Twenty-four percent of units in this scenario are townhomes.

In this scenario, 20 percent of units are permanently affordable to low to moderate income households, 10 percent are deed restricted middle income units, and 15 percent are middle income market affordable, or “middle market” units.

In Scenario 3, the land will be contributed by the city.



Scenario 3 Summary – Compared to Evaluation Criteria				
Meets FBC	Units	Low-Mod Perm. Afford. Units	Unit Type Variety	Range of Incomes
Yes	194	39	24% Townhomes 100% Ownership	20% Low-Mod Affordable 10% Mid. Inc. Deed Restricted 15% Mid. Inc. Market Affordable 55% Market Rate

Pros:

- The scenario provides a type of housing that has not recently been built in the area and which may be more appropriate for families or larger households. Thirty-eight percent of those units are permanently affordable to low-moderate or middle income households.
- It provides housing affordable to a broad range of incomes.
- Although only 30 percent of units are permanently affordable, an additional 15 percent are affordable to the middle market.
- 100 percent of the units are for sale.

Cons:

- The scenario only creates permanent affordability for 30 percent of the units.
- It does not maximize the number of units on the site.

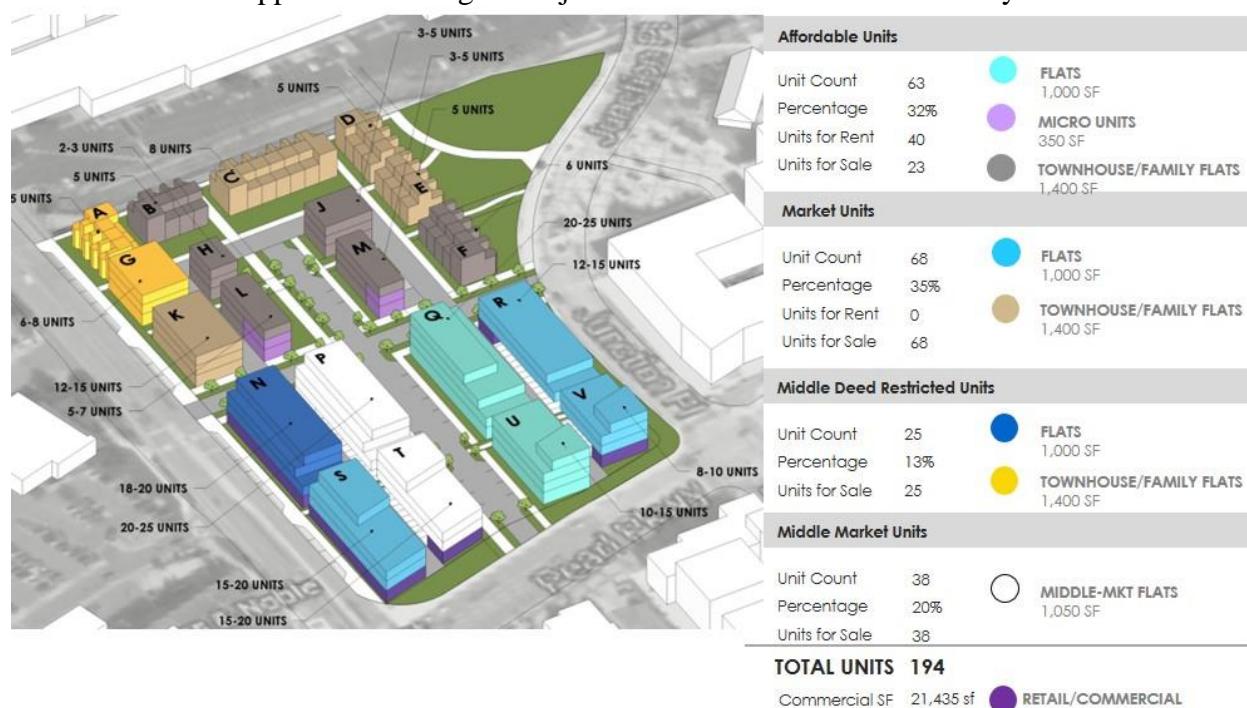
Scenario 4: Similar to Scenario 3, but with greater affordability, including for-sale affordable units, but requiring additional city investment

The fourth scenario also features 194 units and a unit mix that includes 23 percent townhomes. The most distinguishing attribute in the scenario is that it features the highest level of permanent affordability. Thirty-two percent of the units are low-mod affordable units and 13 percent are deed restricted middle income units. Another 20 percent are affordable to the middle market.

This higher level of affordability is achieved in three ways:

1. The scenario features 21 percent rental units.
2. Low Income Housing Tax Credits are assumed to be part of the financing approach.
3. The city would be required to contribute not only the land, but also an additional \$5-6.5M in subsidy.

This scenario is also the only one to offer a limited number of micro units, which in this case could be used as supportive housing in conjunction with services based nearby.



Scenario 4 Summary – Compared to Evaluation Criteria				
Meets FBC	Units	Low-Mod Perm. Afford. Units	Unit Type Variety	Range of Incomes
Yes	194	63	23% Townhomes 79% Ownership	32% Low-Mod Affordable 13% Mid. Inc. Deed Restricted 20% Mid. Inc. Market Affordable 35% Market Rate

Pros:

- The scenario provides a type of housing that has not recently been built in the area and which may be more appropriate for families or larger households. One third of those units are permanently affordable to low-moderate or middle income households.
- It provides housing affordable to a broad range of incomes.
- Forty-five percent of units are permanently affordable and an additional 20 percent are affordable to the middle market.
- 79 percent of the units are for sale.
- A limited number of micro units could be used for supportive housing, in alignment with the TVAP goal for serving special populations.

Cons:

- The scenario does not maximize the number of units on the site.
- It will require an additional city subsidy of \$5-6.5M.

Comparative Scenario Evaluation

The scenarios all have different strengths and weaknesses. The purpose of analyzing the scenarios and comparatively evaluating them is to potentially define a “hybrid” scenario that best balances city goals, investment and community outcomes.

As illustrated in the table below (using a “good, better, best” system), all of the scenarios can all help achieve TVAP goals in different ways.

Does it meet TVAP Goals?					
Scenario	Meets FBC	Units	Low-Mod Perm. Afford. Units	Unit Type Variety	Range of Incomes*
1	Best Yes	Best 246 units	Better 49	Unknown	Good 20% Low-Mod Affordable 80% Market Rate
2	Best Yes	Best 246 units	Better 50	Good 22% Large Flats 100% Ownership	Better 20% Low-Mod Affordable 12% Mid. Inc. Deed Restricted 19% Mid. Inc. Market Affordable 49% Market Rate
3	Best Yes	Good 194 units	Good 39	Best 24% Townhomes 100% Ownership	Better 20% Low-Mod Affordable 10% Mid. Inc. Deed Restricted 15% Mid. Inc. Market Affordable 55% Market Rate
4	Best Yes	Good 194 units	Best 63	Better 23% Townhomes 79% Ownership	Best 32% Low-Mod Affordable 13% Mid. Inc. Deed Restricted 20% Mid. Inc. Market Affordable 35% Market Rate

*Range of Incomes is also a proxy for meeting the draft Middle Income Housing Strategy, which is:
20% Low-Mod Affordable, 10% Mid. Inc. Deed Restricted, 50% Mid. Inc. Market Affordable, 20% Market Rate

The least successful option in terms of meeting the defined goals is Scenario 1, as it falls far short of goals related to housing affordability and unit type variety. The other scenarios, however, all provide a positive outcome for redevelopment of the city-owned site in relation to the defined goals.

Defining a Preferred Scenario – Staff Recommendation

Considering the goals in TVAP, the goals for the acquisition of the site, and the development that has taken place in the area to date, staff recommends defining a preferred scenario that best meets the following criteria:

- Households with a broad range of incomes should be served.
- Permanent affordability for a wider range of incomes should be maximized.
- A true mixture of housing types should be provided.
- The way in which the land is sold, leased, or transferred should ensure the desired outcomes are achieved.

Under these criteria, the preferred scenario would be something closely resembling Scenario 4, which will be referred to as **Preferred Alternative A**. This alternative would:

- ✓ Provide the highest amount (45 percent) of permanent affordability (32 percent low-moderate and 13 percent middle income units).
- ✓ Provide the highest amount of middle income market affordability (20 percent of units).
- ✓ Offer a variety of housing unit types beyond stacked flats, with an emphasis on ownership.
- ✓ Ensure achievement of desired outcomes but not maximize revenues from a sale.

This alternative, however, would require additional subsidy. As envisioned through the current analysis, the subsidy could be in the range of \$6.5 million. A decision to provide additional housing subsidy would require withholding subsidy from future projects. Tradeoffs would therefore need to be discussed over time.

If council does not support the addition of subsidy for Preferred Alternative A, the next option would be something resembling Scenario 3, or **Preferred Alternative B**. Such an alternative would:

- ✓ Provide 30 percent permanent affordability (20 percent low-moderate and 10 percent middle income units). This is less than Preferred Alternative A.
- ✓ Provide a good amount of middle income market affordability (15 percent of units). This is less than Preferred Alternative A.
- ✓ Offer a variety of housing unit types beyond stacked flats, with an emphasis on ownership.
- ✓ Ensure achievement of desired outcomes but not maximize revenues from a sale.

Both alternatives meet the criteria above, but can be adjusted to provide different levels of affordability—at the low-moderate, middle, and middle market income levels—and different amounts of subsidy. With council support for either of these preferred alternatives, staff can begin to draft a RFP for solicitation of a development partner(s).

V. NEXT STEPS

Fourth Quarter 2016 – Based on council feedback, including priorities for the site redevelopment, staff will develop a RFP for a development partner(s). Staff will also propose a review and selection process.

First Quarter 2017 – RFP and proposed selection process will be shared with council and approval sought to move forward. Following council consultation, the RFP will be issued.

Second Quarter 2017 – Selection process will commence and partner(s) will be chosen.

ATTACHMENTS

Attachment A – Scenarios Side by Side
Attachment B – Scenario Summary



CITY OF BOULDER CITY COUNCIL AGENDA ITEM

MEETING DATE: December 6, 2016

AGENDA TITLE: Consideration of a motion to accept the study session summary from Oct. 25, 2016 regarding 30th and Pearl Redevelopment Options.

PRESENTERS

Jane S. Brautigam, City Manager

David Driskell, Executive Director of Planning, Housing and Sustainability

Susan Richstone, Deputy Director of Planning, Housing and Sustainability

Kurt Firnhaber, Deputy Director of Planning, Housing and Sustainability

Eric M. Ameigh, Public Works Projects Coordinator

EXECUTIVE SUMMARY

This agenda item provides a summary of the Oct. 25, 2016 study session on 30th and Pearl Redevelopment Options. The purpose of the study session was to solicit council feedback on potential redevelopment options for the city-owned site at 30th and Pearl. Council's input and guidance on the preferred development direction will shape the next steps.

Council was supportive of a redevelopment scenario featuring a mix of uses with an emphasis on housing and, in particular, affordable housing. There was broad support for a mix of housing types, including stacked flats and some townhomes or other types that may be somewhat less dense than stacked flats.

Staff will develop a Request for Proposals (RFP) and proposed selection process for choosing a development partner(s). Council will receive an update in the first quarter of 2017. Partner(s) selection will take place in the second quarter of 2017.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff recommends council consideration of this summary and action in the form of the following motion:

Motion to accept the study session summary from Oct. 25, 2016 regarding 30th and Pearl Redevelopment Options.

BACKGROUND

The background information for this topic can be found in the [study session memorandum](#) and the [study session presentation](#), both dated Oct. 25, 2016.

NEXT STEPS

Fourth Quarter 2016 – Staff will develop a RFP for a development partner(s) as well as a review and selection process.

First Quarter 2017 – RFP and proposed selection process will be shared with council for their review and feedback. Following council consultation, the RFP will be issued.

Second Quarter 2017 – Selection process will commence and partner(s) will be chosen.

ATTACHMENTS

- **Attachment A** – Oct. 25, 2016 Study Session Summary on 30th and Pearl Redevelopment Options

Attachment A

Oct. 25, 2016 Study Session Summary on 30th and Pearl Redevelopment Options

PRESENT

City Council: Matt Appelbaum, Aaron Brockett, Jan Burton, Suzanne Jones, Lisa Morzel, Sam Weaver, Bob Yates, and Mary Young

Staff members: City Manager Jane S. Brautigam, City Attorney Tom Carr, Executive Director of Planning, Housing and Sustainability David Driskell, Deputy Director of Planning, Housing and Sustainability Susan Richstone, Deputy Director of Planning, Housing and Sustainability Kurt Firnhaber

Consultants: John Koval and Peter Weber of Coburn Development Partners

OVERVIEW

Mr. Driskell, Mr. Firnhaber, and Mr. Koval made a presentation describing the project's background, the analysis leading to the development of the representative scenarios, and the staff's recommended approach to a preferred alternative. Following is a summary of the council discussion.

- Council had questions about the square foot costs for land and for other uses. Residential is the most valuable use and the cost to produce one unit, exclusive of land costs, is nearly \$350,000.
- Council discussed the effective subsidy provided by the contribution of land. Depending on the scenario, the subsidy for middle income units could be excess of \$200,000 per unit. This is a large amount of subsidy compared to what the city usually pays to housing providers. While the value of the land could be used to support housing goals elsewhere in the city, there are policy reasons to apply this level of subsidy for specific outcomes in this location.

Council feedback included the following:

- It is important to accommodate a variety of housing types and a broad range of households and residents. In particular, there was support for including townhomes or other housing types that would appeal to larger households and/or families with children, as opposed to building all units as stacked flats.
- Some members of council were supportive of micro units. Because of their small size, they provide more housing units without requiring more total square footage in the project. They could also potentially play a role in facilitating co-operative housing arrangements and/or supportive housing. Council also discussed the need for careful thought in relation to micro units to prevent them from becoming relatively affordable second homes for owners who live elsewhere.

- Some council members said they would support a focus on increasing the number of units as much as possible within the constraints of the site.
- Some members of council were supportive of the possibility of co-op housing somewhere within the mix of housing units.
- The Holiday neighborhood redevelopment may provide a model for redeveloping the city-owned site. The Holiday redevelopment was led by one master developer and other developers were engaged to build discrete parts of the neighborhood, which added variety in architecture and design.
- Encourage creative design and making the site into an attractive neighborhood center. The development should set a high bar for design and not be monolithic. The participation of multiple developers could help achieve those goals.
- Some members of council spoke in support of affordable retail or commercial space on the ground level for small locally owned business, non- profits or local start-up businesses. As commercial rents have risen in Boulder in recent years, there is a sense that certain types of businesses cannot remain in Boulder. A below market rent would help.
- General support for the preferred alternative which is a dense mixed-use development with a variety of housing types, including some townhomes or other housing types, and as much affordability as possible. The exact amount of additional subsidy and the site design and architecture, while important considerations, will be discussed in future phases of the project.