

*Crested Butte is a small mountain town with a big community that strives toward a balanced and sustainable lifestyle while enjoying and protecting the soul of the Valley.*

### **Town Council Values**

- *Support Crested Butte's quality of life*
- *Promote resource efficiency and environmental stewardship*
- *Encourage a sustainable and healthy business climate*
- *Actively support an authentic and unique community*
- *Remain fiscally responsible*
- *Continue thoughtful management of our historic character*
- *Seek collaborative solutions to regional and local issues*

*Critical to our success is an engaged community and knowledgeable and experienced staff.*

## **AGENDA**

### **Town of Crested Butte**

### **Town Council Work Session**

### **6PM to 9PM**

### **Monday, February 28, 2022**

**Please use the web address below to join the webinar:**

**<https://us02web.zoom.us/j/83495361252>**

**Or Telephone: Dial: US: +1 253 215 8782 or +1 346 248 7799 or +1 669 900 6833  
or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099**

**Webinar ID: 834 9536 1252**

*The times are approximate. The work session may move faster or slower than expected.*

### **6:00 WORK SESSION**

1) Town Council Review of the Sixth and Butte Selection Criterion of Developer's RFP.

*Staff Contact: Community Development Director Troy Russ*

- Reviewing the Selection Criteria with the Town Council
- Informing the Selection Committee's Weighting of Review Criterion
- Sustainability
- Restrictions on Who Can Live There (Federal Restrictions, State Restrictions, Essential Workforce)
- Project Management and Who Holds the Risk

### **9:00 ADJOURNMENT**



## Staff Report

February 28, 2022

**To:** Mayor and Town Council  
**From:** Troy Russ, Community Development Director  
**Thru:** Dara MacDonald, Town Manager  
**Subject:** Sixth & Butte and Paradise Park RFP Study Session

**Background:** In the summer and fall of 2021, the Town of Crested Butte developed a workforce housing plan for the corner of Sixth Street and Butte Avenue (Town Parcels 3 and 5 in the Slate River Subdivision). The objective of the housing plan was to develop a master plan for TP 3 and 5 that would be utilized to develop and issue a request for proposals (RFP) for developers to construct workforce housing.

Town Council approved the Housing Plan on October 18, 2021, with the expectation that construction would begin in the fall of 2022 and the first homes would obtain certificates of occupancy (CO) in 2023. The Town expects the entire project will be completed by the fall 2024.

Staff proceeded to finalize and released the RFP in November 12, 2021, with the following schedule:

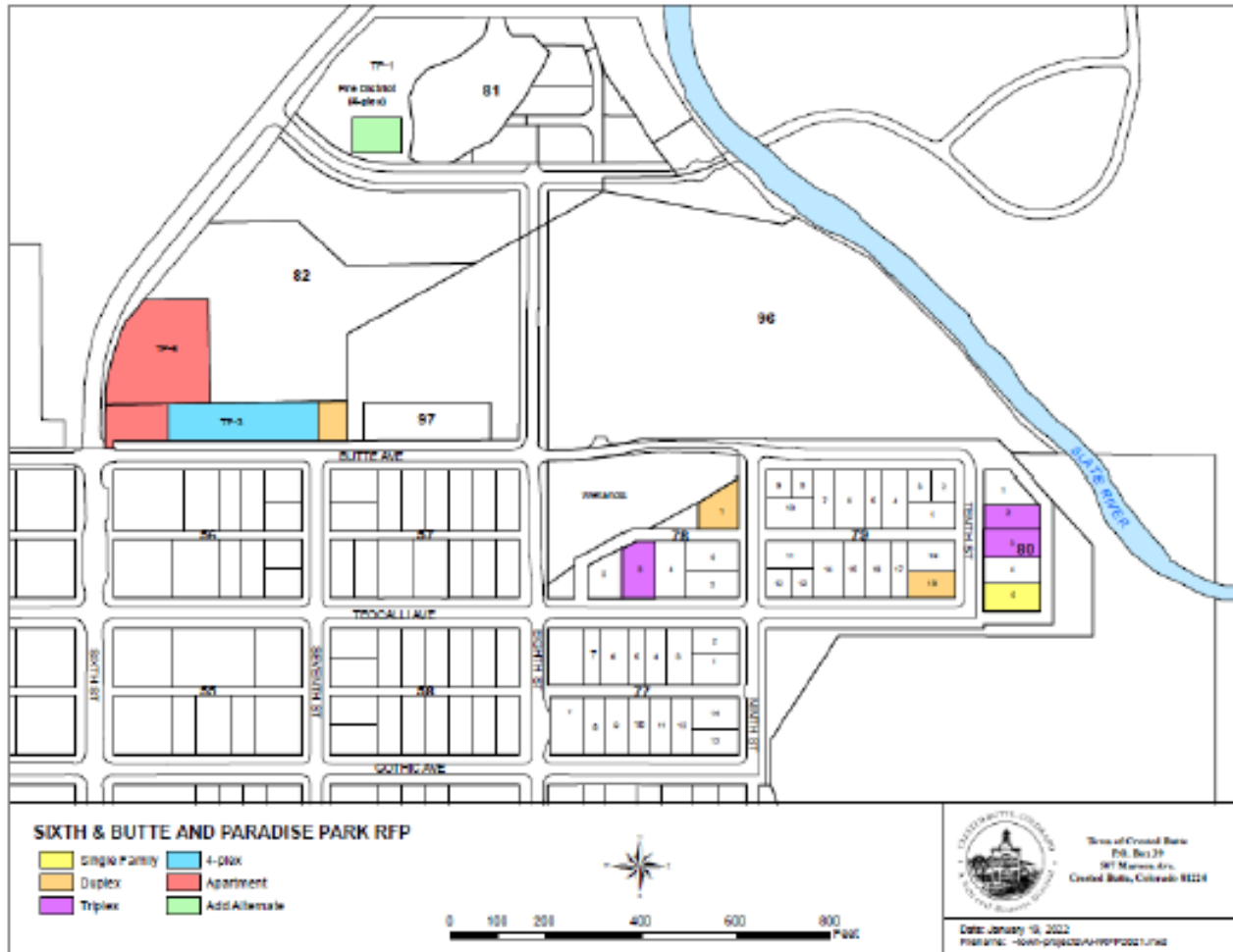
- November 12, 2021: Request for Proposals released
- December 1 – 9, 2021: Window 1: One on one preparation meetings with development teams and town staff.
- December 6, 2021: 1:00 p.m. Pre-proposal meeting and site visit (Optional).
- January 3 – 14, 2022: Window 2: One on one preparation meetings with development teams and town staff.
- January 21 - Questions deadline
- January 28 Answers distributed
- February 14, 2022: Town Draft Contract released
- **February 28, 2022: Request for Proposals due by 5:00 p.m.**
- March 1 – 7, 2022 - Selection Advisory Committee opens and reviews proposals to determine finalists
- March 14 – 15, 2022: Tentative - Finalist Interviews and Public Open House and/or Presentation with Finalists
- March 21, 2022: Tentative Selection of development partner by Town Council

The purpose of this study session is to have staff, the selection advisory committee, and the Town Council review the Sixth and Butte / Paradise Park RFP, review and prioritize the RFP's selection criteria; discuss the Town's risk in case of the Developer default; and lastly review staff's project management approach through the completion of the project.

**Sixth and Butte / Paradise Park Workforce Housing Developer's RFP:** The Town issued the RFP to build approximately 35-45 apartments for rent, and 29-33 units for homeownership on Town owned property in the Slate River and Paradise Park subdivisions. The Town included the concept plan from Sixth

and Butte Workforce Housing Master Plan in the RFP to establish thresholds and communicate the community's expectations.

The Master Plan for Sixth and Butte showed rental units on a portion of Town Parcel 3 (TP3) and Town Parcel 5 (TP5) of the Slate River Subdivision. Ownership units were shown on the balance of TP3 in the Slate River Subdivision and scattered sites throughout the Paradise Park subdivision. There was one additional "ad/alternate" component to the project, which included the construction of a fourplex for the Crested Butte Fire Protection District (CBFPD) on TP1 in the Slate River Subdivision.



Interested developers may focus on just the rental aspect, just the for-sale aspect, or both. The potential proposers could also develop their own development concept if it met the requirements of the R-4 Zone District and associated restrictive covenants in the Slate River Subdivision and the R2A Zone District in Paradise Park. The Town did commit to buying the triplex on Lot 2 Block 80, adjacent to the proposed CB Nordic snow cat barn. The intention is to retain that triplex for Town employee rental units.

Project Goals in the RFP are to create workforce housing that:

- Fosters a sense of community

- Is connected to our surroundings
- Enhances our authentic quality of life
- Is driven by our vibrant and quirky character
- Makes our community feel at home
- Provides opportunity to thrive
- Embodies environmental stewardship that is consistent with a deep respect for our surroundings

Three specific objectives outlined in the RFP included:

1. *Affordability* - Per the Gunnison Valley Housing Market Update 2021, the greatest need for rental housing is for households below 80% AMI, and for sale housing for households below 140% AMI. However, Town is open to serving some higher income households (up to 200% AMI for for-sale, 120% AMI for rent) to achieve economic diversity and to support financial feasibility. The RFP stated, “***Priority consideration will be given to projects that incorporate a significant number of units meeting the greatest community need.***”
2. *Sustainability* - The Town prioritizes Climate Action and has a goal to reduce greenhouse gas emissions of Town operations by 50% and the community at-large by 25% by 2023. The overall goal for this project is to develop buildings with as little environmental impact as possible and practical. The RFP stated, “***A comprehensive sustainability program will be necessary for the successful bidder of this project.***”
3. *Liveability* - In addition, the Town seeks the project being highly livable with shared community spaces and amenities placed throughout the site. The RFP stated, “***Proposals that include formal and informal community spaces and amenities for the enjoyment of the future residents of the project will viewed favorably in the selection process.***”

With these goals and objectives in mind, the Developers were instructed to submit the following information.

1. *Interest Statement*: Provide a brief statement regarding why the team is interested in building affordable housing in the Town of Crested Butte, and whether the team is proposing on the rental housing, the for-sale housing, or both, and whether the ad/alternate component is included.
2. *Project Approach*: Describe the team’s proposed approach to public engagement, working through BOZAR approvals, and managing this project to ensure that it is completed on time, on budget, and in alignment with Sixth and Butte Workforce Housing Plan and the Town of Crested Butte Affordable Housing Goals. Describe successful strategies for building deed restricted housing in Crested Butte or other communities.
3. *Financial Capabilities and Strategy*: Describe the proposed financial structure for each development component, including proposed sources and uses and any anticipated problems or hurdles in securing the proposed financing. Describe the financial strength of the Team, including the ability to provide guarantees and secure bonding and construction financing.

- a. Project Sources and Uses: Share your estimated total development costs. Please use the attached Development Proforma Summary Template. Describe your strategy for controlling costs over the course of the project and ensuring an affordable and profitable project.
  - b. Unit and AMI Mix and For Sale Price Points: Share your proposed unit mix (bedrooms/bathrooms) and what prices units will be rented and/or sold for, and corresponding AMIs. Town is seeking to serve a variety of households sizes, types, and income levels. Projects will receive favorable scoring for achieving diversity of price points, unit types, and deep affordability. Please note affordability goals above. Please use the attached Development Proforma Summary Template.
4. Neighborhood Design, Compatibility and Community Spaces: The Town has a requirement that the new developments meet our historic preservation guidelines and a desire for the projects to include quality community spaces for the enjoyment and livability of the future residents. Proposals that incorporate outdoor spaces, such as decks/porches and roof top patios, as well as community spaces and amenities as shown on the attached conceptual site plan will receive additional favorable scoring during selection when compared to proposals that do not.
  5. Green Building and Energy Efficiency Strategy: Proposals must include a sustainability program narrative describing how the buildings will achieve a maximum HERS 50 rating, as well as approaches for reducing the embodied carbon of construction materials. The narrative should be specific, and reference intended approach and materials. Approaches to consider include:
    - a. Heating equipment annual operating efficiency greater than 200%.
    - b. Energy star rated appliances.
    - c. Energy Star windows for the appropriate climate zone. Fiberglass frame simulated double hung, with a maximum of one operable pane. Casement windows are preferred.
    - d. LED lighting throughout.
    - e. EC motors for fans and pumps.
    - f. Air sealing to achieve HERS certification.

Aside from meeting HERS 50, the Town requires inclusion of the following elements in the sustainability program:

- a. All electric buildings.
- b. Maximizing solar PV on all available W, S, E and flat roofs.
  - Creating maximum available PV roof area will be a consideration during Architectural design, while keeping within BOZAR guidelines.
  - Provide HERS rating that includes the anticipated PV output. Lower HERS scores will be scored higher.
- c. Eliminating use of foam insulation where possible to reduce embodied carbon of building assemblies. Examples: vented roof cavities using cellulose insulation, rockwool foundation insulation, wall assemblies utilizing double studs and dense pack cellulose rather than foam.

- d. To reduce the environmental and human health impacts of materials, including resource conservation, reduced life-cycle impacts of building materials, impacts on the atmosphere, product transparency, and waste management, the project will comply with 2021 IGCC Chapter 9: Materials and Resources.
  - e. To reduce Indoor Air Quality (IAQ) impacts on occupants, the project will comply with 2021 IGCC Chapter 8, Section 801.4.2 (8.4.2) Materials.
  - f. To reduce water consumption the project will comply with 2021 IGCC Chapter 6 Water Use Efficiency, except for section 601.3.5 (6.3.5) water consumption measurement.
  - g. Ventilation with Heat Recovery Ventilators (per Town Code).
  - h. EV Charging requirements (All EV installed, ready, and capable spaces are expected to accommodate a Level 2, 40 A, 240V charger):
    - 1 EV charger per apartment buildings (3 total).
    - EV ready parking for 10% of apartment building parking spaces. EV ready is defined as having the circuit breaker installed in the electrical panel, conduit and wire run to the parking space, but no charger installed.
    - EV capable parking for all for sale unit parking spaces. EV capable is defined as having a conduit from an electrical panel to a parking space, and room to install an electrical circuit in the associated electrical panel. No circuit breaker, wire, or charger is installed.
6. Project schedule: Provide a timeline for major project milestones and how phasing (if proposed) will occur. A Town goal is for some portion of the proposed development to be under construction by the end of 2022. As stated earlier, to expedite the entitlement process, the Town will retain additional development review assistance and reserve a minimum of two development review agenda slots on the BOZAR schedule every month beginning as early as June 2022. Efficient and realistic project schedules will receive favorable scoring.
7. Town Contract Review: Provide a statement of agreement or requested modifications to the Town's base contract for the project. The Town's base contract will be presented at the project pre-proposal meeting and incorporated into a scheduled supplemental release of this RFP.
8. Developer Contact: Please identify the person who will serve as primary point of contact for the project.
9. Experience and Professional Qualifications: Provide a description of the lead organization(s), summary of principals, partners, or collaborators that would participate in the development, the nature of each participant's interest in the proposed project, and organizational structure of the team. Please include developer, architect(s), general contractor(s), and major subcontractors.

Provide a summary of past relevant experience for all key individuals/organizations including roles and responsibilities, location, gross square footage, number of units, total project budget, date completed, and local references of completed developments (where available). For previous experience with affordable housing, please describe the types of development completed--for rent or sale, deed-restricted, AMI mix, and experience developing in small mountain communities.

## 10. References.

### **RFP Evaluation Criteria and Review Process:**

The selection of the developer(s) for the project will be made by the Town Council. A Selection Advisory Committee (SAC) made up of Town staff (including our new principal planner/housing director), GVRHA representative, Williford LLC, and a green building/energy efficiency advisor from the Crested Butte based Resource Engineering Group (REG).

The SAC will do the leg work in reviewing the proposals, short-listing eligible submittals (if necessary), and advising Town Council in their final decision. The SAC and Town Council need to review proposals based on the selection criteria outlined in the RFP

1. Qualifications of proposed project team.
2. Successful history of navigating intensive public design review and approval processes. Track record creating projects with compatibility in existing neighbourhoods and Historic Districts.
3. Demonstrated ability to complete high quality residential construction in high-cost mountain communities on time and on budget, preferably in the Gunnison Valley.
4. Ability to serve community needs with regard to deepest affordability, diversity of unit mix and amenities.
5. Neighborhood design and provision of Community Spaces per the criteria defined in RFP submittal requirement number 4.
6. Green building and energy efficiency per criteria defined in RFP submittal requirement number 5 above.
7. Financial strategy and ability to leverage project sources to achieve Town of Crested Butte goals.
8. Ability to provide permanent deed restrictions on for sale component. Ability to provide options for long-term stewardship by GVRHA and/or Town of Crested Butte on rental component.
9. Schedule. Efficient but realistic timelines are preferred. The Town has a goal of achieving certificates of occupancy for initial units by Fall 2023.
10. References.

During the work session the SAC members will present the details of the section criteria above and gather feedback from Council on how they interpret and prioritize the criteria above.

**RFP Evaluation Criteria and Review Process:** Town staff has worked with the Town Attorney in drafting a contract for the prospective developers to review and respond as part of their development proposal. The contract has several clauses designed to protect the Town's assets if the selected developer goes into default during the project.

Staff has attached a copy of the draft contract and a memorandum from the Town Attorney highlighting the various protections currently employed in the contract.

**Project Management:** The Town's Community Development Department, led by the Town's Principal Planner and Housing Director, Erin Ganser, will manage the contract and progress of the Sixth and Butte/Paradise Park Workforce Housing project.

Erin has years of construction management experience, including the development of 220-unit senior and affordable housing project in Louisville, CO. Below is a list of techniques the Town plans to employ through the life of the project.

Erin Ganser, the Town's new Principal Planner and Housing Director will be present at the meeting to elaborate and answer any questions the Council may have regarding project management. The scope of project management includes the following elements:

1. Work with developers/partners to refine schedules with clear identification of critical paths and task assignments.
2. Facilitate routine meetings/check-in with developers/partners.
3. Participate in developer's OAC (owner/architect/contractor) meetings in predevelopment and through construction.
4. Document meeting outcomes
  - a. Keep developers/partners on track/accountable.
  - b. Keep the community informed of the process, progress, outcomes and opportunities to participate.
  - c. Coordinate with GVRHA regarding housing classes, and timing of lotteries
5. Maintain a constant eye on process, milestones, and deadlines.
6. Identify critical issues that need creative problem solving and/or more discussion/legwork early to stay on schedule.

Attachments:

1. Memorandum - Sixth & Butte/Paradise Park Housing Project Risk Protections
2. Draft Sixth and Butte Developers Contract
3. RFP