



**Request for Proposals
Lazy K Housing Project
Working Draft**

1. INTRODUCTION

The City of Gunnison is requesting proposals from qualified developers to create a work force/affordable housing project on property owned by the City of Gunnison, located at 1415 West Tomichi Avenue, and known generally as the “Lazy K” property. Affordable housing has become an acute issue in the Gunnison Valley. The Lazy K site presents the opportunity to advance community housing needs and the opportunity to create a neighborhood park on this land. The City engaged Design Workshop in the early summer of 2018 to develop a Park and Site Plan for this space. The result of this project was a park plan and three sites (1.7 acres, 1.6 acres and 1 acre - totaling 4.3 acres) for future housing sites. The City will be actively pursuing grants to support building the park and is now soliciting qualifications and proposals for creating a housing project. Ideally, the City is looking for a developer who will bring financial resources to build a housing project and receive revenue through the project to finance the project. The City will consider supporting the housing project through the creation of a park around the project and through a public-private partnership with a developer. The City will consider selling/transferring ownership of the housing sites. It should also be acknowledged that the City is currently revising its Land Development Code to incent affordable housing, and is receptive to making potential zoning changes on the property consistent with the City Municipal Code.

2. PROPERTY DESCRIPTION

In 2015, the 15-acre Lazy K property located at 1415 West Tomichi Avenue was purchased by the City. The site is zoned as a Planned Unit Development (PUD), with RV park and resort accommodation uses set forth as the permitted uses. City Council passed Ordinance No. 4, Series 1986 on April 8, 1986 approving and accepting the Lazy K Planned Unit Development (PUD). The final plat for the Lazy K PUD was recorded on April 18, 1986. The original intent of this development was commercial, specifically for the use of a resort facility. The approved PUD includes the following uses:

- 11 cabins (six new cabins and the five existing)
- 48 RV spaces
- 1 studio building
- 1 clubhouse
- 1 restaurant (approximately 4000 square feet)
- 1 70-unit lodge (54,890 square feet)
- 4 four-plex structures (these are the Welch apartments that were subdivided off illegally)

This PUD zoning does not meet the needs for future property uses (park space and community housing) and a future zoning map amendment will be necessary.

The site presents the opportunity to advance community housing needs, but riparian habitat, wetlands, and floodplain characteristics demand thoughtful development considerations that blend open space and park functions with a neighborhood housing development.

Existing site improvements include a 5,000 square foot unfinished building that was designed for a restaurant, one nicely remodeled cabin, and several unfinished cabins (600 SF). Proposal do not need to maintain the existing structure on the site. The parcel is adjacent to the Gunnison River to the West and a water feature runs through the site. To the North of the site is an assisted care center run by the Gunnison Valley Hospital. To the East are cottages much like what exists on the east side of the Lazy K site. On the South of the site are 4-5 plexes that architecturally read as single family structures and a mobile home park.

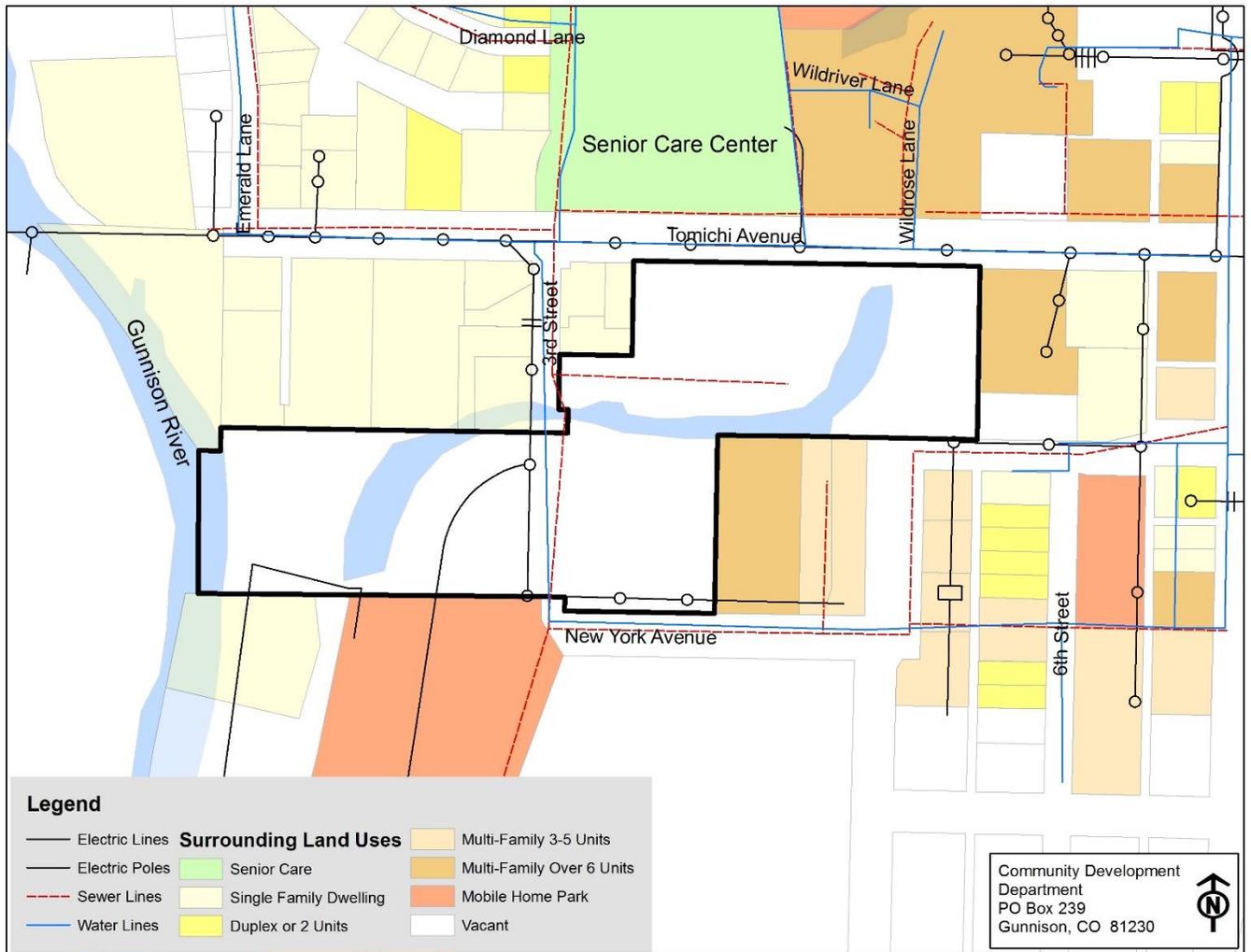
Additional site specific information and mapping can be obtained from Andie Ruggera at aruggera@gunnisonco.gov.

Aerial of Site

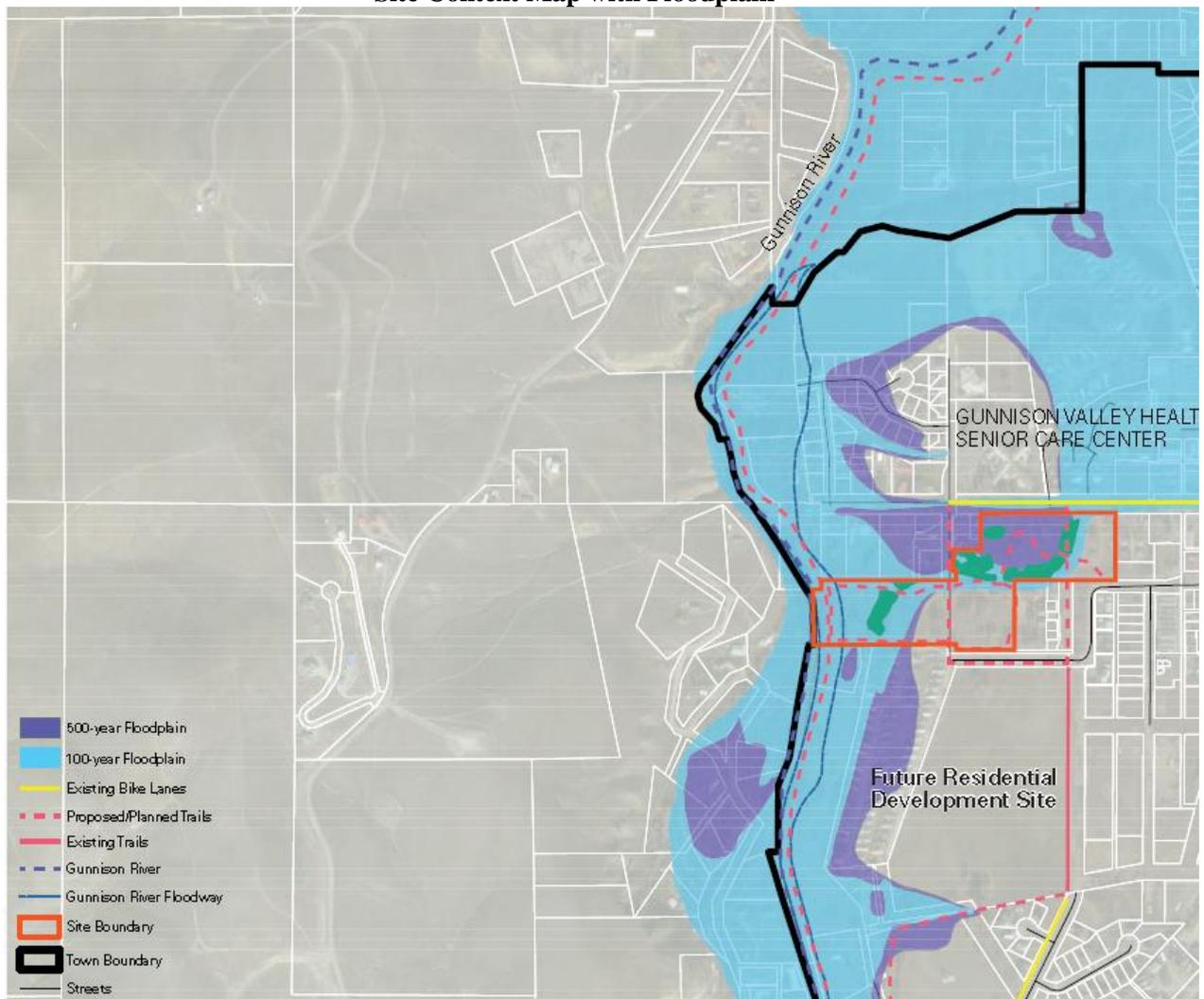


Access to the site comes from West Tomichi Avenue and South 3rd Street. There are also water features, wetlands, and floodplains that occur across the site. The following is a map which shows floodplain areas. Utilities are adjacent and on the site depending on the utility. The following maps shows utility locations, adjacent land uses, and flood plains.

Utility Locations and Adjacent Land Uses.



Site Context Map with Floodplain



3. BACKGROUND

City Strategic Plan: In October 2017, the City Council adopted a [Strategic Plan](#), with affordable housing development being as a defined strategic result. In addition to creating new affordable housing on City property the City is working on [land use code changes](#) to incentivize affordable housing creation and to also remove barriers to affordable housing.

History of Site: In January 2017, the University of Colorado – Center for Community Development (CCD) submitted the *West Gunnison Regional Park Master Plan*, which was subsequently adopted by Council. The plan is thematic in content and includes a menu of potential improvement options for the 15-acre site. Some of the property is riparian habitat within a designated floodplain. The *Master Plan* identifies community housing development as a possible use.

West Gunnison Park and Site Plan: As stated previously, in June of 2018, the City initiated the [West Gunnison Park and Site Concept Master Plan](#) to build upon the work done by CCD. The site plan provides a park plan and alternative housing scenarios for the site. In the end the City decided to identify the appropriate locations for housing on the site and then pursue a request for proposal(s) to create specific housing solutions for Lazy K. Housing types were discussed during the process and the general consensus was that cottages, duplexes, triplexes, accessory dwelling units and four plexes would be most appropriate for the site and relate best to the adjacent uses around the site. A water feature which has storm water management and aesthetic value runs through the site. The site plan largely respects the features of the site which transitions from old cottages on the east site to a “middle” area that is out of the 100 year floodplain, and then moving west to a relatively natural area with mature cottonwoods, ponds, and then the Gunnison River. There was active public participation during this project and a level of acceptance for the adopted site plan. It should be noted that there were individuals that did not support an affordable housing project on the site. The City of Gunnison Council formally approved the West Gunnison Park and Site Plan on August 28, 2018.

Approved Site Plan
“Land holdings” indicate housing sites

CONCEPT MASTER PLAN



Housing Market Demand: In considering a housing project in Gunnison, a prospective developer should review the [Gunnison Housing Needs Assessment](#) from 2016. It provides a market analysis of the need for affordable housing in the Gunnison Valley. Since 2016, additional analytical work is being done by the Gunnison Valley Regional Housing Authority and a new Housing Plan is expected to be available in the next month. The City currently has 2,445 housing units, and approximately 60% of units are rentals.

Potential Partners: In addition to the City, there are several potential partners for a housing project at Lazy K. First the Gunnison Valley Regional Housing Authority can provide support for deed restrictions and resident qualification for for-sale and rental housing. The Housing Foundation in the Gunnison Valley may also have financial support for a project. Habitat for Humanity also operates in the Gunnison Valley and can be a partner. The Gunnison Valley Hospital who has a senior assisted living facility across from the site may also be interested in the project.

Western Colorado University: In 1911, the Colorado State Normal School opened in Gunnison with 13 students, as a two-year teacher education school. The Normal School was the first college on Colorado’s Western Slope. The two-year college became Western State College, a four-year institution in 1923; and in 2012, the college became Western State Colorado University (Western), dba Western Colorado University (WCU), with world class programs in a variety of academic disciplines, including several master degree programs. In 2016, the direct impact of Western on the local economy generated \$40.75 million. The total direct and indirect impact was \$70.52 million, the equivalent of 19 percent of the net earnings by residents of the County. Western creates more than 450 jobs directly and an additional 190

jobs indirectly (Holden Paul, *The Role of Western State Colorado University on the Economy of Gunnison County*, 2017). In the summer of 2018, the WCU received a \$80 million grant from a private donor for a new engineering school which will involve a partnership with Colorado University. This is a significant event to further enhance the University's impact in the community.

Economic Prosperity: The City of Gunnison has also created a strategic goal to diversify its economy. A key strategy is to utilize the [ICELab](#) as a hub for entrepreneurship and economic development. A key challenge to attracting both businesses and employees to the valley is attainable housing. Another good source of information on economic, housing, and demographic trends is the One Valley Prosperity Project "[State of the Valley Report](#)" which attempts to summarize critical facts and trends that impact the community, economy, and overall prosperity of Gunnison.

Other relevant plans/documents to review include:

Master Plan: The City's first *Master Plan* was adopted in the mid-1980's and was revised in 1997. The existing *City of Gunnison Master Plan* was adopted in 2007 and there have been significant changes to the City since this time. Two significant annexations (Gunnison Rising and VanTuyl Ranch) to the City have occurred as well as numerous neighborhood plans that were adopted as sub-area plans to the *Master Plan*. Additionally, the majority of policy and implementation statements in the plan have been completed. Over half of the policy statements in the plan are in reference to new regulations or standards to update the City's *Land Development Code* (LDC) to address community issues that came out of the 2007 plan. In 2014, a complete overhaul of the LDC was adopted. In 2015, the City completed a Community Analysis as a first step of updating the *Master Plan*. The 2007 *Master Plan* can be found at the following link: <http://www.gunnisonco.gov/Planning/City%20of%20Gunnison%20Master%20Plan.pdf> Annexation plans, sub-area plans and the Community Analysis can be found at the following link: <http://www.gunnisonco.gov/departments/planning/index.php>

The West Gunnison Neighborhood Plan. The [West Gunnison Neighborhood Plan](#), adopted in 2008, directs how in-fill development will occur in the western part of the community. The *West Gunnison Neighborhood Plan* encompasses an area bounded by Highway 50 on the east and south, Tomichi Avenue on the north, and the Gunnison River on the west.

4. PROJECT GOALS AND AREAS OF FOCUS

4.1 Primary Goals

Proposals will be evaluated against the following criteria:

- 1) Create affordable housing on the identified sites, totaling approximately 4.3 acres, consistent with the [West Gunnison Park and Site Concept Master Plan](#) and compatible with the adjacent neighborhood. The proposal should also demonstrate how a proposed project supports the creation of a park on Lazy K.
- 2) The city will accept proposals for all 4.2 acres of identified housing on the site or proposed phases for one or more of the three sites. For sale units are preferable but rental units could be proposed. To make a compelling workforce housing case, rental proposals would need to target a lower AMI range.
- 3) Architectural elevation plans are not required in Phase 1. However, the proposal should illustrate how the housing development would be a highly livable residential neighborhood which is compatible with the land use context of the adjacent property.

- 4) Maximizing the residential property as a workforce housing neighborhood with housing products targeted to the needs of the local workforce is a priority. Proposal should demonstrate how the proposed project meets a specific market demand articulated in the [Gunnison Housing Needs Assessment](#). The proposal should respond to any new and/or proposed housing projects in the City including but not limited to Rock Creek (Gunnison County Housing Project) and an adjacent 24 acres (due south of the project site) parcel which may be developed by a private developer as a housing project.
- 5) Ability of the project to be financially self-sufficient, building upon the current investments in land, planning, and adjacent park space made by City of Gunnison.
- 6) Actively engage neighbors and community members, and successfully foster community support for the housing project.
- 7) Support the creation of a north/south road connection between New York and West Tomichi roads.

The City will consider proposals that either propose housing or other uses (see secondary goal) of the existing 5000 square foot building or don't propose any use of the space, or propose removal of the existing building.

4.2 Secondary Goal

- 1) There have been multiple community groups, including the [Seasons School House](#) (Pre-School), and private interest to create a community kitchen, incubator space etc., event center, that have expressed interest in the 5000 sq. ft. structure on the site. Supporting housing or another community use in this space would be seen as an attractive beneficial use of this building but this is not a condition for the proposal. Art workshop as another use
- 2) Collaboration with other housing interests such as Habitat for Humanity, Gunnison County Housing Foundation, and the Gunnison Valley Regional Housing Foundation could be opportunities for the project.
- 3) In addition, proposals should consider opportunities for financing given the City of Gunnison is in a [Opportunity Zone](#) as part of the 2017 tax reform package.
- 4) City would consider proposals, as consideration for the value of the land, to provide housing opportunities for City employees.
- 5) Timely construction of the housing project to address the significant demand for housing in the valley.

5. **REQUEST FOR PROPOSAL PROCESS**

5.1 RFP Process

The City requests that proposals have two phases as described below.

Phase 1-Concept Approval: The first phase should provide an affordable means of testing alternative development concepts on the site with both the neighborhood and the community as a whole. For this phase, we are asking respondents to prepare a development proposal including a site plan and high level project pro forma so that trade-offs can be evaluated in terms of density, affordability, unit types and amenities on the site. The City requests that developers submitting a proposal fully consider housing market demand, feedback received in the [West Gunnison Park and Site Concept Master Plan](#) and the context of the site to provide a creative housing proposal and potential alternative concepts for consideration. Proposals may also include proposals for zoning

and/or land use changes for the Lazy K parcel. The City Council will consider approval of the Phase 1 concept prior to commencing Phase 2. The City of Gunnison will be under no obligation to proceed to Phase 2.

Phase 2-Development Approval: The second phase involves developing the preferred concept from Phase 1 and submitting the necessary applications to build the concept. It is anticipated that a contract would be executed between the City and the developer outlining the responsibilities of each party prior Phase 2 commencing. This development agreement may also include the City addressing and changing the underlying zoning to facilitate the commencement of Phase 2.

Phase 3-Construction and Qualification of Buyers/Renters: A third and important phase will be constructing the project consistent with the development approvals and applicable development agreements. It should be noted that the Gunnison Valley Regional Housing Authority is anticipated being a partner to confirm owner/renter qualifications for ownership or renting affordable housing units in the project. The Gunnison Valley Regional Housing Authority could also be a partner in managing deed restricted housing on the site (this is noted only as an option for perspective developers).

5.2 Schedule

The proposed schedule includes:

November 28, 2018	Issue RFP on BidNet via http://www.gunnisonco.gov/business/bids_and_proposals.php Pre submittal conference call to answer questions. You must download RFP prior to this date to receive conference call instructions.
December 12, 2018	Optional Site visit with City Staff. Time will be forwarded via BidNet.
January 3, 2018	Optional Site visit with City Staff. Time will be forwarded via BidNet.
January 18, 2019	Proposals due by 4:00 p.m.
January 21, 2019	Public open house on proposals
January 22, 2019	Committee narrows to two to three finalists
February 12, 2019	Finalists submit refined plans based on feedback from the City and open house participants.
February 26, 2019	Staff recommendation provided to City Council for approval.

Note: the above schedule is subject to change at the City's discretion. Changes and clarifications to the RFP will be made using BidNet at the web site stated above.

Note: It should be noted that the timing of park development will be dependent on grant funding and may occur in multiple phases.

5.3 RFP Evaluation

The RFP evaluation and selection criteria include:

A. Ability to achieve the goals of this project.

- B. Demonstrated results from other affordable/workforce housing projects.
- C. Ability to engage and respond to public feedback while also maintaining the affordability of the project.
- D. Demonstration of professional, technical, financial, and legal expertise and experience of the principal personnel assigned to the project specifically in creating affordable/workforce housing projects.
- E. Financial strength of the parties responsible for project finance and form of financial security to secure project completion once construction is initiated.
- F. Innovative approach in creating affordable housing that is compatible with the site and generates general community support.

5.4 RFP Submittal Content and Format

Proposals shall be provided in one electronic copy (PDF format, on a memory stick – these materials can be emailed if not over 10Mb in file size) and one camera ready unbound printed copy shall be submitted by January 18, 2018 by 4:00 p.m. The proposal should be sent to Russell Forrest, City Manager, at rforrest@gunnisonco.gov or to 201W.Virgiana Ave, PO Box 239, Gunnison, Co 81230. All submission materials shall be retained by the City and not returned. At a minimum the RFP response shall include:

1. **Cover Letter:** A letter of transmittal and interest in the project shall be provided with the contact information of the primary point of contact for the development team.
2. **Qualifications:** The submittal shall include a full explanation of qualifications for the individuals and companies that would be working on the project. A summary of qualifications should include at a minimum:
 - Development team organizational profile including identification of principals, partners, or co-venturers that would participate in the development, the nature of each participant's interest in the proposed project, and a summary of relevant experience of all key individuals.
 - Previous project experience and summaries, including reference and contact information for a minimum of four relevant projects of similar scope and scale which demonstrate pertinent experience. An additional listing of pertinent projects may be included. Also include reference contact information for each project.
 - Any material which further identifies experience or qualifications of the developer.

3. **Initial Proposal and Alternatives:** The proposal shall include a specific proposal for phase one of this RFP to be used as an initial starting point for a public discussion and potential alternatives to be considered. The proposal should include at a minimum:
 - a) Draft site plan showing the location of the residential units, resident and visitor parking, roads, and other structures (including existing structures if they remain on site) and any other amenities proposed. The site plan should also be accompanied by a written summary of the proposed development and alternatives that were considered.
 - b) Draft project pro-forma, to include: unit counts, types, approximate unit size, and AMI target (price for sale or rent), sources and uses to complete horizontal and vertical construction, and any gap that the team is seeking Gunnison to cover.
 - c) Description of any utilization of existing structures. Utilization of existing structures is not required.
 - d) Proposed phasing plan if applicable.
 - e) Imagery that would reflect the exterior and interior finishes of the housing units.

4. **Financial Capabilities:** In order that we may assess the financial strength of prospective purchasers/developers, please provide us with an indication of your financial resources – including but not limited to:
 - a) Recent financial statements including profit and loss, balance sheet, and statement of cash flows.
 - b) Credit references, preferably from lending institutions
 - c) Annual reports or other financial survey, if available

NOTE: A financial statement is optional at this time but would be required prior to Phase 2 is initiation.

Any financial statements or other materials submitted will be held in strict confidence and will be returned after our private examination.

5. **Public Engagement Process:** Describe your approach to public engagement. What processes have worked best on previous projects, and what approach do you recommend following the public engagement that has already occurred for the site?
6. **Public-Private Partnership:** Please describe the key responsibilities and milestones you envision for a successful public private partnership.

5.5 **Presentations:** Finalists responding to this RFP will be requested to present their proposal to the public and to an interview panel. Dates for these interviews are stated in Section 5.2

5.4 Contact and Questions

Please refer to http://www.gunnisonco.gov/business/bids_and_proposals.php for information on this RFP. Contact Russell Forrest, City Manager, for questions at rforrest@gunnisonco.gov for any questions.

6. OTHER PROVISIONS

- 1.** The City of Gunnison shall not be liable for any costs incurred for the preparation of this RFP.
- 2.** The City reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any Proposal, and to accept or reject any item or combination of items. The City further reserves the right to cancel the contract if a final scope of services cannot be acceptably agreed to between the selected consultant and the City.
- 3.** The City reserves the right to inspect the business reputation or other qualifications of any firm, and to reject any proposal, irrespective of quoted prices, if it is determined to be lacking in any of the essential components to assure acceptable standards of performance. The City reserves the right to obtain financial data or other supplemental information concerning the consultant or any sub-consultant.
- 4.** All proposals received shall become the property of the City. All proposals shall become a public record and shall be regarded as public records except for those parts of each proposal which are defined by the proposer as business or trade secrets, provided that such parts are clearly marked as “trade secret”, “confidential”, or “proprietary.”

Draft Press Release for Lazy K RFP

In the summer of 2018, the City of Gunnison invited the community and adjacent residents to the Lazy K site at 1415 West Tomichi Avenue to participate in the development of a Park and Site Plan for this 15-acre city owned site. The Gunnison City Council formally approved the West Gunnison Park and Site Plan on August 28, 2018. As part of this park and site planning process three sites (1.7 acres, 1.6 acres and 1 acre - totaling 4.3 acres) were identified for future housing sites. The City will be actively pursuing grants to support building the park and is now soliciting proposals for creating a housing project on all or a portion of the 4.3 acres. Ideally, the City is looking for a developer who will bring financial resources to build a housing project and receive revenue through the project to finance the project. The City will consider supporting the housing project through the creation of a park around the project and through a public-private partnership with a developer. The Request for Proposal for housing on Lazy K will require developers to publicly review their conceptual plan in a public forum where the City will solicit public feedback on the alternative plans before choosing a developer to partner with on a project. A specific goal of the project is to create a housing project which respects the natural features of the site and the adjacent land uses. The City encourages anyone interested in the RFP or community members with questions about the project to contact Russell Forrest at rforrest@gunnisonco.gov or 970-641-8171.