AGENDA

City Council Retreat

July 20, 2021

9:00 AM, Dunaway Community Room - Pitkin County Library

I. RETREAT INFORMATION

I.A. City Council Retreat
ASPER CITY COUNCIL RETREAT
July 19 & 20, 2021
Dunaway Community Room at Pitkin Public Library
120 N. Mill St., Aspen, Co 81611 - In person meeting only

Monday, July 19, 3-7pm

3:00 Welcome
Mayor Torre
Sara Ott, City Manager

3:10 Facilitation Process (Ron)
- Roles: facilitator, staff, and Council
- How will we define success?
- How will we make decisions?

3:30 2020-21 Reflections, successes, and challenges (Ron)
About the Community:
- Looking back on 2020 what transformations occurred? Which were positive? Which were negative? Which creates new opportunities? Will the changes be permanent, or do they go away with the pandemic?
- If you had five minutes and the whole community was listening, what would you say?
- If money were no object, what issue would you solve?
- What new skill would you like the community to learn or develop?

About the Organization
- What has your experience been as a member of the Council over the past year? What’s gone well, what would you change if you could? Think both about how the Council operates and your interactions with staff.
- Looking back on the past year (or two) how would you evaluate the health and effectiveness of the organization?
- Do we have a vision for our "new normal?" What will it take to define it?

About Yourself:
- How has being a leader over the past year affected you? How are you feeling about the upcoming year?
- What do you think the community and organization need from you as a leader over the next year or two?
- What do you need to do for yourself to be prepared to lead in the next year?
- What new skill would you like to learn?

4:30 Organizational Update (Sara)

5:00 Discussion: How will we define “goals”? (Diane)

6:00 Dinner onsite with senior staff
Tuesday, July 20, 9 am - 4 pm

9:00 Welcome
  - Check in regarding yesterday's session (Mayor Torre, Sara, Ron)

9:15 Goal Recap: 2019-2021 (Sara)

9:30 Identifying Likely Goal Areas (Previously presented during Work Sessions)
  - Goal Area: Solid Waste and Greenhouse Gas Emission Policy (CJ Oliver)
    - Additional Council discussion
    - Next steps
  - Goal Area: Child Care (Shirley Ritter)
    - Additional Council discussion
    - Next steps
  - Goal Area: Affordable Housing (Ben Anderson, Diane Foster, Pete Strecker)
    1. Affordable Housing Land Use Code Coordination
    2. Lessons Learned: sharing experiences and observations as the APCHA Interim Executive Director
    3. New Development
      - Additional Council Discussion
      - Next Steps
  - Goal Area: Support for local businesses and locally serving businesses (Sara)
    - Define the opportunities and challenges
    - Additional Council Discussion
    - Next Steps

11:15 Affirm Goal Areas

11:30 Lunch
  - Department Directors invited to join us for lunch

1:00 Goal Setting Discussion
  - Time frame - August 2021 - March 2023
  - Review Critical and Important Goals

3:45 Recap of Retreat Outcomes
  - Did we meet your expectations?
  - Did we follow our agreement regarding decision making?
  - Were we successful?
  - Suggestions for future retreats

4:00 Adjournment
Mayor Torre and Members of the City Council:

Sara has asked me to facilitate the City Council Retreat. I plan to reach out to each of you by phone to touch base prior to the retreat. The details for final agenda are still being revised at this time. The final agenda should go out on Friday.

Perhaps a gentle reminder of a few items would be in order. The retreat will take place at the Dunaway Community Room at Pitkin Public Library. It will begin at 3:00 on July 19. Dinner will be provided. The Agency Director Team (ADT) are invited to join us. We will resume the retreat Tuesday morning (July 20) at 9:00 and we will conclude at 4:00 (this will give the Library time to prepare the room for another group). Lunch will be provided.

Now, for your homework...
This need not be a burden. All of you bring a wealth of knowledge and understanding of the community to the Council table. Some of you may want to prepare notes for reference and others may want to continue to think about your responses right up to the opening of the retreat. This is entirely up to you. These questions will be used as prompts to elicit a robust discussion. It will allow all voices to be heard and you may gain perspectives from your fellow council members that you have never previously considered yourself.

Read through the following, give it some thought and come to the retreat prepared to discuss. If you spend more than an hour on this, you are over thinking this assignment.

About the Community:
- Looking back on 2020 what transformations occurred? Which were positive? Which were negative? Which creates new opportunities? Will the changes be permanent, or do they go away with the pandemic?
- If you had five minutes and the whole community was listening, what would you say?
- If money were no object, what issue would you solve?
- What new skill would you like the community to learn or develop?

About the Organization
- What has your experience been as a member of the Council over the past year? What's gone well, what would you change if you could? Think both about how the Council operates and your interactions with staff.
• Looking back on the past year (or two) how would you evaluate the health and effectiveness of the organization?
• Do we have a vision for our 'new normal?' What will it take to define it?

About Yourself:
• How has being a leader over the past year affected you? How are you feeling about the upcoming year?
• What do you think the community and organization need from you as a leader over the next year or two?
• What do you need to do for yourself to be prepared to lead in the next year?
• What new skill would you like to learn?

Common themes?

Thank you for your time and attention. I am looking forward to a productive and meaningful retreat.

Ron

PS Since time is a valuable commodity, send me an email with some times that might work for a phone call. I will be calling you using my cell (970) 379-0741, so please don’t think it is a spam call.

Ron LeBlanc  (He/Him/His)
Special Projects Manager | City Manager's Office
(O): 970.379.0741 | (C): 970.379.0741
www.cityoffrespen.com

My typical in-office hours are Monday-Thursday, 8-5. I work remotely.

Our Values: Stewardship | Partnership | Service | Innovation
MEMORANDUM

TO: Mayor and City Council
FROM: Sara Ott, City Manager
MEMO DATE: July 16, 2021
MEETING DATE: July 19&20, 2021
RE: Background materials for Council's Retreat

Please find enclosed a variety of background materials and links for your upcoming Council Goal Setting Retreat.

1. 2020-2021 Council Goal Scorecards and original goal resolution
2. Climate Action next steps work session packet from July 6, 2021
3. Climate Action next steps work session info only follow up memo dated July 14, 2021
4. Building Code Amendment work session packet from May 17, 2021
5. Childcare Update work session packet from June 7, 2021
6. Affordable Housing Mitigation work session packet from July 14, 2021
7. Future Planning for Affordable Housing Policy work session packet from September 15, 2020
8. Lumberyard Affordable Housing Project Update info only memo dated July 14, 2021

Additionally, Council may also wish to reference these other related planning documents via these hyperlinks
   b. Aspen Area Community Plan 2012
MEMORANDUM

TO: Aspen City Council  
FROM: Sara Ott, City Manager  
RETREAT MEETING DATE: June 19 and 20, 2021  
RE: 2020/2021 Council Goals Update

The purpose of this memorandum is to update City Council on the 2020/2021 Council Goals initiative in preparation and as a reference for the July 19th and 20th City Council retreat.

Background:
During the 1st Quarter of 2020, City Council formally adopted Resolution #16 establishing the 2020-2021 Council Goals (Exhibit A). The 2020/2021 Council Goals consist of eight individual goals organized into two distinct tiers, as follows:

Tier I Goals
1. Affordable Housing  
2. Childcare Sustainability  
3. Waste Management  
4. Stormwater Financing

Tier II Goals
5. Energy Conservation  
6. Community Engagement  
7. Local Businesses  
8. Boards and Commissions

Each goal was assigned a lead who championed goal progress and execution. Goal leads are as follows:

- Affordable Housing – Sara Ott, Phillip Supino, Pete Strecker, and Scott Miller  
- Childcare Sustainability – Shirley Ritter and Ron LeBlanc  
- Waste Management – CJ Oliver and Liz Chapman  
- Stormwater Financing – Pete Strecker and April Long  
- Energy Conservation – CJ Oliver and Ashley Perl  
- Communications Strategy – Alissa Farrell and Denise White  
- Local Businesses – Phillip Supino, Mitch Osur and Ron LeBlanc
Quarterly updates were provided to Council during work sessions in July 2020, November 2020, February 2021, and May 2021. During each quarterly update staff presented specific, in-depth updates on goals or initiatives tied to goals. Progress, milestones, and accomplishments were documented in a quarterly scorecard provided to Council for review and discussion (Exhibit B). Additionally, during each quarterly update, feedback from Council helped to guide staff on planned initiatives and efforts related to goals for the upcoming quarters.

Less than a month passed between the formal adoption of the City Council’s 2020/2021 goals and when the COVID-19 pandemic emerged. City staff assigned to champion specific Council Goals had to shift their focus to supporting the City’s response and recovery efforts, or to backfilling for colleagues who had to do so. A total of nearly 4000 hours of staff time were spent in direct support of the City Incident Management Team from early March through late June. The relative importance of goals shifted as well, with an immediate focus on steps to achieve the COVID-19 Outcomes taking first priority.

As a result of these necessary shifts, progress was limited across the entire spectrum of the original Council Goals through much of 2020. Feedback provided by Council during quarterly updates allowed staff to focus efforts on key identified priorities within the goals and create meaningful progress across the board during Q4 of 2020 and the first half of 2021.

Exhibit List:

A - Resolution 16-20 Council Goals
B – Council Goals Scorecards (July 2020-May 2021)
C - July 2021 Scorecard (Note: bolded items are updates as of July 2021, remaining content unchanged from May 2021 as there were no significant changes or updates.)
RESOLUTION # 016
(Series of 2020)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ASPEN, COLORADO,
ADOPTING THE 2020-2021 CITY COUNCIL GOALS

WHEREAS, the City Council has a long history of establishing goals to direct priorities for the City; and

WHEREAS, the City Council adopted Strategic Focus Areas in December 2019 to guide the work of City Administration; and

WHEREAS, City Council endeavors to be strategic in its deliberations regarding these goals to ensure that current opportunities, needs and challenges facing the community are fully considered; and

WHEREAS, the goals of City Council guide the actions of City Council and the City Administration in budgeting and programming initiatives; and

WHEREAS, City Council desires to formally adopt year 2020-2021 goals to guide the City in shaping its future.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASPEN, COLORADO,

Section 1. That the City Council of the City of Aspen hereby adopts the following City of Aspen 2020-2021 Council Goals, and does hereby authorize the City Manager to pursue said goals.

Tier I Goals

1. Affordable Housing — Advance the quality of life through affordable housing opportunities that address financing, incentives, and maintenance through partnerships.
   A. Resources: Increase the City’s resources for affordable housing development by leveraging existing funds in tandem with partnering with regional entities.
   B. Incentives: Review adopted regulations that affect the development of affordable housing including a study of the affordable housing fee-in-lieu rate, the Certificate of Affordable Housing Credit program, employee generation and mitigation rates, and multi-family replacement requirements.
   C. Financing: Establish and utilize a financial advisory board to advise, evaluate, and make recommendations on the long-term economic stability of affordable housing development.
   D. Maintenance Focus: Work with partner agencies and homeowner associations to formulate options to address delayed affordable housing maintenance, including insufficient capital reserves policies.
2. **Childcare Sustainability**: Engage with the business community and local stakeholders on ways to finance and expand childcare availability and create workforce development opportunities.
   a. **Education**: Increase the awareness regarding the value, benefits, and success of Kids First and early childhood education programs.
   b. **Resources**: Leverage the collective interests of the Roaring Fork Valley to identify and advance opportunities to increase capacity, with emphasis on the need for quality infant and toddler spaces.
   c. **Workforce**: Encourage workforce development and program expansion through creative and immediate actions that develop a qualified workforce and talent pipeline for early childhood educators.

3. **Waste Management**: Develop a long-range community waste management plan to reduce waste in the highest impact landfill diversion areas.
   a. **Incentives**: Evaluate and implement incentives that increase voluntary diversion of solid waste.
   b. **Policy**: Evaluate and consider policy changes that address wildlife conflicts, balances community values surrounding construction impacts, and supports the longevity of the community's landfill.

4. **Stormwater Financing**: Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River.

5. **Energy Conservation**: Reduce the energy use in commercial and multi-family buildings through increased incentives and the advancement of Building IQ, which requires energy use tracking and improved energy efficiency.

**Tier II Goals**

6. **Community Engagement**: Create and implement a community engagement strategy that incorporates participation data to inform and increase future public participation in policy decisions.

7. **Local Businesses**: Analyze opportunities to retain and attract essential, small, local and unique businesses to provide a balanced, diverse and vital use mix supporting the community.

8. **Boards and Commissions**: Evaluate decision making authority for quasi-judicial boards and commissions.

INTRODUCED, READ AND ADOPTED by the City Council of the City of Aspen on the 10th day of March 2020.
I, Nicole Henning, duly appointed and acting City Clerk do certify that the foregoing is a true and accurate copy of that resolution adopted by the City Council of the City of Aspen, Colorado, at a meeting held, March 10, 2020.

Nicole Henning, City Clerk
EXHIBIT B

27 JULY 2020: COUNCIL GOAL SCORECARD

Key:

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<th>Description</th>
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### Community Engagement

**Community Engagement:** Create and implement a community engagement strategy that incorporates participation data to inform and increase future public participation in policy decisions.

| Strategy: | Create and implement a community engagement strategy | As noted in an Info Memo to Council on June 30, since the onset of COVID-19 the communications team has shifted its focus to mediums that fit the needs of the moment. Planning on a broader strategic plan was paused with the intent of gathering community information first. | Restart the strategic communications plan, including a community survey on priorities, preferred mechanisms, and strengths and weaknesses of City communication. Complete the survey by Fall 2020. As well, host virtual focus groups and complete a social media audit. |

#### Local Businesses: Analyze opportunities to retain and attract essential, small, local and unique business to provide a balanced, divers and vital use mix supporting the community

| Proposed new focus: | Achievement of the COVID-19 Outcomes | Council has approved a set of COVID-19 initiatives to support the broader business community in Aspen | Request to refocus this goal on the COVID-19 outcomes, and incorporate those outcomes into the Council goal framework |
## Protect our Environment

*Waste Management: Develop a long-range community waste management plan to reduce waste in the highest impact landfill diversion areas*

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<tr>
<th>Question Mark</th>
<th>Incentives: Provide incentives to increase voluntary diversion of solid waste</th>
<th>The current state of construction demolition waste was discussed June 8 with Council. Staff recommended that the City observe impacts of recent County incentives and policies to inform any future actions. Cardboard recycling at the Rio Grande Recycling Center was discontinued as of July 1st due to budget considerations.</th>
<th>Pause?</th>
<th>Request to pause this initiative due to EHS priorities related to COVID-19</th>
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<td>Question Mark</td>
<td>Policy: Consider policy changes to address wildlife conflicts, consider construction impacts, and increase landfill longevity</td>
<td>EHS provided an update on demo/con waste to Council.</td>
<td>Pause?</td>
<td>Request to pause this initiative due to EHS priorities related to COVID-19</td>
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### Stormwater Financing: Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River

| Funding and financing: Identify and implement options | Currently there is a significant need for stormwater projects. Staff identified two main sources of potential funding (fees or taxes); however, these options are not likely acceptable due to the financial impacts of COVID-19 on the community. | Staff are currently researching approaches other organizations have taken on this topic and are documenting best practices. Staff anticipate working additional stormwater projects into 2021 budget discussions. An August 17th work session will include a discussion on potential funding mechanisms. |

### Energy Conservation: Reduce the energy use in commercial and multi-family buildings through increased incentives and the advancement of Building IQ, which requires energy use tracking and improved energy efficiency

| Incentives: Increase incentives and advance building IQ. | While staff recently updated Council via an Info Memo on this goal, concerns exist regarding whether a mandatory energy conservation program is feasible given the economic impacts of COVID-19. | In a future work session, provide staff with feedback on the priority of this goal in comparison with other initiatives and given the current economic status of businesses and residents. |
### Fiscal Health and Economic Vitality

**Boards and Commissions:** Evaluate decision-making authority for quasi-judicial boards and commissions

<p>| Roles: Evaluate decision-making authorities | On pause | At a future work session, discuss the goal, the potential ramifications of adjusting authorities, and decide whether to restart and move forward. |</p>
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<thead>
<tr>
<th>Status (1-10)</th>
<th>Goals &amp; Objectives</th>
<th>Lead(s)</th>
<th>Accomplishments (July 2020 - Present)</th>
<th>Next Steps (Q4 2020 &amp; Early 2021)</th>
<th>Expected Completion Date(s)</th>
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<td>7</td>
<td>GOAL: Affordable Housing: Advance the quality of life through affordable housing opportunities that address financing, incentives, and maintenance through partnerships.</td>
<td>Council work sessions held on September 14 &amp; 15 to discuss priorities for the $50 million Fund in order to define financial needs. Outcomes included that more funding may be needed for the Lumberyard Development.</td>
<td>Reviewing existing tax resources to assess a possible vote on expansion of uses. In addition, staff to continue research for any potential new taxes if Council wishes to pursue that option.</td>
<td>Evaluation for any repurposing of existing taxes or assessment of new taxes would be completed in advance of associated ballot deadlines.</td>
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<td>2</td>
<td>Resources: Increase resources for affordable housing development.</td>
<td>Scott Miller &amp; Pete Strecker</td>
<td>Following three work sessions discussions in Spring and Summer of 2020, Council passed a Policy Resolution on October 13 providing formal direction for study and potential amendments in four areas of the Land Use Code. Continues for targeted consultant support is being pursued. Four Areas: Fee-in-Lieu update, AIR credits program, Multi-Family Replacement, and existing incentives and credits related to AIR mitigation.</td>
<td>1) Policy Study with support from consultants/experts; 2) targeted outreach to the development community and broader outreach to the general public; 3) drafting of code language for potential amendments; 4) public hearing process with Council; 5) codification of approved amendments. It is anticipated that the work related to P&amp;L and credits program will be completed January/February of 2021.</td>
<td>First policy changes are anticipated to be implemented by February 2021, but the project as discussed with Council will continue for the next couple of years with continued Council direction in support.</td>
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<td>n/a</td>
<td>Financing: Establish a financial advisory board.</td>
<td>Initiative removed for 2020.</td>
<td>City Council reviewed 150 Fund priorities on Sept 15 and 16. Staff is analyzing alternative funding mechanisms with outside parties.</td>
<td>Staff will present settlement consideration for litigation to Council. Further, staff will continue to work with Pitkin County and APCHA to establish forward-looking policy options to ensure HOAs maintain sufficient reserves for maintenance responsibilities.</td>
<td>Likely will take most of 2021 working with our partners at APCHA and Pitkin County.</td>
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<td>8</td>
<td>Maintenance: Formulate options to address delayed housing maintenance.</td>
<td>Scott Miller &amp; Sara Ott</td>
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<td>5</td>
<td>GOAL: Childcare Sustainability: Engage with the business community and local stakeholders on ways to finance and expand childcare availability and create workforce development opportunities.</td>
<td>Kids First has used partnerships and collaborative efforts to increase awareness about the importance and the benefits of early childhood education (ECE). Shirley Ritter co-writes a column in the Aspen Daily News, she serves on the Pitkin County Interagency Oversight Group (IDG) to keep ECE part of the focus for community agencies. Staff also uses social media, virtual meetings and trainings, and regional partnerships to strengthen our message.</td>
<td>In 2020 Kids First have not been able to engage with the community as planned before COVID. Currently planning to revisit this work, knowing our approach will be very different. Kids First Advisory Board (KXAB) and staff will continue to meet with business partners to work toward capital solutions.</td>
<td>Early 2021, with some activities being ongoing.</td>
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<td>6</td>
<td>Education: Increase awareness of benefits of Kids First and early childhood education.</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Kids First used partnerships and collaborative efforts to increase awareness about the importance and the benefits of early childhood education (ECE). Shirley Ritter co-writes a column in the Aspen Daily News, she serves on the Pitkin County Interagency Oversight Group (IDG) to keep ECE part of the focus for community agencies. Staff also uses social media, virtual meetings and trainings, and regional partnerships to strengthen our message.</td>
<td>In 2020 Kids First have not been able to engage with the community as planned before COVID. Currently planning to revisit this work, knowing our approach will be very different. Kids First Advisory Board (KXAB) and staff will continue to meet with business partners to work toward capital solutions.</td>
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<td>Resources: Identify and advance opportunities to increase childcare space and financing.</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Continue discussions with Colorado Mountain College regarding the conversion of a classroom for infant care. Kids First staff has done site visits to the CMC campus with regulatory agencies to determine physical and financial needs to occur in the space to accommodate infants. KXAB and staff are in the process of recruiting a provider and developing an operating budget for this space.</td>
<td>Drafting and negotiating an IGA with CMC for infant care space at the Aspen CMC campus. Staff will continue to work with childcare programs and families to determine specific needs, to oversee physical changes, and to make the community aware of this progress.</td>
<td>Early 2021</td>
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<td>6</td>
<td>Workforce: Take action to develop a qualified workforce.</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Due to 2020 budget reductions, Kids First has not hired the early childhood teacher/intern that was planned for use as a qualified workforce. Kids First was able to use the COVID recovery funding to support childcare programs during a period of low enrollment, so that they could retain current staff. Kids First helped programs get PPP loans to retain staff. In every program that used these funds, this resulted in almost no staff leaving their employment.</td>
<td>If the budget passes for 2021, the intern position will be included. This is a retained position; this program would gain work experience and education during this year, to then be hired by a local childcare program as a qualified lead teacher. Kids First continues to support childcare programs through funding, networking, technical assistance, nurse consulting, and community engagement regarding how critical childcare is to the recovery of our local economy.</td>
<td>Many parts of this plan are complete - rent relief, subsidies for low enrollment. Other parts are ongoing, and the intern position will be hired in 2021, with the first successful completion of that position before December 31, 2021.</td>
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<td>GOAL: Create and implement a strategic and comprehensive communications plan.</td>
<td>Alissa Farrell &amp; Denise White</td>
<td>Parallel to work completed for the strategic communications plan, a Communications Director has been hired to lead this goal. Staff have focused on gathering community data to drive alignment and direction in the development of a strategic communications plan. Specifically, staff initiated community focus groups/e-chats (completed) and developed an Aspen communications community survey. The Aspen communications community survey is scheduled to go live within the next few weeks. The data analysis provided from the survey and e-chat/focus groups along with additional information gathered will help to guide the development of the strategic communications plan.</td>
<td>Analysis of the communications survey data and e-chat focus groups. With the Communications Director and team’s guidance, the timeline and milestones for the development of the strategic communications plan are scheduled to be completed by end of 2020.</td>
<td>Currently under review with addition of Communications Director.</td>
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| GOAL: Local Businesses - Analyze opportunities to retain and attract essential, small, local and unique business to provide a balanced, diverse and vital use mix supporting the community. | Phillip Supino, Mitch Osur, and Ron Le Blanc | Developed Small Business Revolving Loan Program, issued loans to 9 local businesses. Established the Winter in Aspen Vibrancy (WAV) Team, exploring ways to support local businesses through the winter season. Have developed Land Use, Building Code, and Engineering policies related to temporary structures, use of the right-of-way and Fed. Mall. | Established the Winter in Aspen Vibrancy (WAV) Team, exploring ways to support local businesses through the winter season. Ensure the safe establishment of temporary structures and use of the right-of-way by businesses. Implement streamlined review processes. |

| GOAL: Waste Management - Develop a long-range community waste management plan to reduce waste in the highest impact landfill diversion areas. | CI Oliver & Liz Chapman | Research picked up in September for both incentives and policy options. The Colorado legislature abandoned several waste diversion bills to respond to Covid. Additionally, funding for recycling grants was swept to pay for Covid response programs. These changes and the economic impact of the pandemic have created unanticipated challenges for staff. | Research and networking to determine what other communities have done to plan for long-term waste diversion and reduction and which policies and programs would be a good fit for Aspen. Staff will also be creating projections to estimate what various scenarios would cost and how those policies and programs would impact Aspen’s waste stream. | December 7 – Council provides direction to staff about the scope and timeline for waste reduction/diversion planning. March 2021 – Staff presents Council with a detailed plan, based on direction provided in December 2020. |
### 3. Policy: Consider policy changes to address wildlife conflicts, consider construction impacts, and increase landfill use.

**CJ Oliver & Liz Chapman**

Research picked up in September for both incentives and policy options. The Colorado legislature abandoned several waste diversion bills to respond to Covid. Additionally, funding for recycling grants was swept to pay for Covid response programs. These changes and the economic impact of the pandemic have created unanticipated challenges for staff.

Research and networking to determine what other communities have done to plan for long-term waste diversion and reduction and which policies and programs would be a good fit for Aspen. Staff will also be creating projections to estimate what various scenarios would cost and how those policies and programs would impact Aspen’s waste stream.

Work session with Council on December 7, to present various scenarios for long-term waste planning and receive direction from Council for developing a plan. Each scenario will outline policies, programs, and budget to reduce waste buried in landfill. Staff will take direction from Council and return with specific recommendations in Spring 2021 for Council to approve and formalize a waste diversion and reduction plan over the long term.

- **December 7** – Council provides direction to staff about the scope and timeline for waste reduction/diversion planning.
- **March 2021** – Staff to present to Council with a detailed plan, based on direction provided in December 2020.

### 4. GOAL - Stormwater Financing: Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River.

**Scott Miller & April Long**

During August work sessions possible funding sources were discussed. Options that Council requested more information on included direct funding out of Assent Mgmt Plan, utilizing parking fees, grant funding and development-related fees. Additionally partner funding from other jurisdictions (i.e. Pitkin County Healthy Rivers Fund) and the possibility of increasing the existing tax were discussed.

Staff is working to further analyze system conditions and prioritize improvements necessary to meet the goals of the program. Staff will also refine the estimated funding needed to support different components of the program. In early 2021 staff will prepare a report or memo for Council that suggests potential funding sources that could support the funding needs and schedule for the program.

- **March 2021** – Staff will present funding needs and suggest potential funding sources for meeting those needs, outlining possible advantages and disadvantages of each source.

### 7. GOAL - Energy Conservation: Reduce the energy use in commercial and multi-family buildings through increased incentives and the advancement of building IQ, which requires energy use tracking and improved energy efficiency.

**CJ Oliver & Ashley Perl**

During COVID, CCRE and the Climate Action Office have received more interest from homeowners, renters and business owners for energy assessments, grants, rebates, and energy assistance. The City of Aspen has assisted 3 multi-family units in voluntarily benchmarking their energy use. No commercial buildings have expressed interest in the voluntary benchmarking program. Nine city-owned buildings have also been benchmarked.

Building IQ and Required Benchmarking Program is ready for implementation if City Council desires to move from voluntary energy conservation programming towards more impactful, required programming.

- **November 2020**

### GOAL: Boards and Commissions - Evaluate decision-making authority for quasi-judicial boards and commissions.

**n/a**

| Roles | Initiative removed for 2020. |

### Status Definitions:

- Complete (9-10 points)
- On Track (7-8 points)
- Some Progress (5-6 points)
- In Frequent Progress (3-4)
- Stopped (1-2)
<table>
<thead>
<tr>
<th>Tier</th>
<th>Status (0-10)</th>
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<td>Goal - Affordable Housing: Advance the quality of life through affordable housing opportunities that address financing, incentives, and maintenance through partnerships</td>
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<td></td>
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<tr>
<td>3</td>
<td></td>
<td>Resources: Increase resources for affordable housing development</td>
<td>Scott Miller &amp; Pete Strecker</td>
<td>Based on feedback received via public outreach and in discussions with Council, staff is viewing the development of new units at the Lumberyard to be phased. This may further warrant solicitation of outside parties to engage in the project via a public-private partnership, but is yet to be determined. City Council is scheduled to discuss parameters for evaluating the community benefit of partners on March 8 in work session.</td>
<td>Borrowing, new and/or expansion of existing taxes, and partnership funding are all for consideration but will depend on the confirmed development size and timeframe. Until these items are solidified, it is difficult to obtain detailed funding solutions. Most notably, the Council will be asked to discuss the policy of a county-wide affordable housing tax to support the development of APCHA housing product. Additionally, Council may wish to evaluate the repurposing of existing taxes. Finally, the Council will be asked to prioritize purposes within the 130 fund between land banking, new development, maintenance, and APCHA administration. The priority discussion is expected for late May/June 2021.</td>
<td>This is ongoing through 2021.</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Incentives: Review adopted regulations to improve incentives</td>
<td>Phillip Supino</td>
<td>Council approved a Policy Resolution that gave direction to pursue code amendments in four areas: AH mitigation Fee-in-Lieu update, evaluation of the AH Credits program and simple fixes that could make it more attractive to developers, Multi-family replacement simplification and improvements, and evaluation of existing credits and incentives related to AH mitigation. Professional Service contracts were initiated for technical planning support and these studies and code amendment processes are underway.</td>
<td>Work on the proposed code amendments continue. Staff will present to Council at a work session on 3/22 on the AH Fee-in-Lieu update and the improvements to the AH Credits program. First and Second Readings of proposed amendments should follow imminently depending on Council direction from the work session. The work on Multi-family replacement and existing credits and incentives (lodging and existing FM residential) will hopefully be ready for Council consideration in May. Previous conversations with Council on more ambitious changes to GMIS and Zone Districts in support of AH goals have been had. Staff should revisit this topic to see if there is a desire for a Spring Supplemental budget request in support of this work.</td>
<td>By the end of the current Council’s term, four separate amendments related to AH mitigation will have been presented for consideration.</td>
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<tr>
<td>9</td>
<td></td>
<td>Financing: Establish a financial advisory board</td>
<td>-</td>
<td>Initiative removed for 2020 &amp; 2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Maintenance: Formulate options to address delayed housing maintenance</td>
<td>Scott Miller &amp; Sara Ott</td>
<td>Continued discussion with Council regarding 150 Fund priorities and Centennial related litigation.</td>
<td>Staff is seeking resolution of the Centennial litigation as the first priority and is working with co-defendants on proposals. Staff has also engaged with APCHA on advancing HOA responsibilities into APCHA guidelines and future deed restrictions. Updates will continue in executive session for current litigation.</td>
<td>This is ongoing throughout 2021.</td>
</tr>
</tbody>
</table>

Status Definitions:
Complete (6-10 points)
On Track (7-8 points)
Some Progress (5-6 points)
Infrequent Progress (3-4)
Stopped (0-2)
## 1st Quarter 2021 City Council Goal Update Report

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<td>Goal - Childcare Sustainability: Engage with the business community and local stakeholders on ways to finance and expand childcare availability and create workforce development opportunities</td>
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<tr>
<td>1 &amp; 2</td>
<td>Education: Increase awareness of benefits of Kids First and early childhood education</td>
<td>6</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Kids First staff has continued to partner with AFC to write a column in the Aspen Daily News; held a series of parent workshops titled “Positive Solutions for Families”; have begun a community class aimed at caring for infants and toddlers. Continued working with COVID response teams including ESF, ACS, and with the schools regarding testing, closures, and vaccinations.</td>
<td>In the first quarter of 2021 we are working with the Communications and the Quality offices to develop a survey for expectant and new parents. This will help connect our services to them, and provide us more targeted information their needs moving forward. We also will begin to plan for community engagement for 2022 that is focused on community needs regarding capacity. Community survey to quantify childcare needs to be developed and distributed by March 2021.</td>
<td>Results and recommendations from survey to be reported to Council by May 2021.</td>
</tr>
<tr>
<td>1 &amp; 2</td>
<td>Resources: Identify and advance opportunities to increase childcare space and financing</td>
<td>6</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Kids First continued conversations with CMC regarding the short-term use of a classroom space for infant care. The reality of the ongoing COVID concerns has paused this from actively moving forward at this time. However, parties are still agreeable to the proposed concept.</td>
<td>Continue to support and maintain current childcare capacity as well as hold conversations with CMC regarding future space possibilities. Converge business capacity group to review results of the survey and begin partnership discussions possibly to increase capacity, or to address other need.</td>
<td>MOU with CMC to be ready for Council review by April 2021. Convening of business capacity group by June 2021.</td>
</tr>
<tr>
<td>1 &amp; 2</td>
<td>Workforce: Take action to develop a qualified workforce</td>
<td>7</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Kids First continued to seek partners to expand and create new space for childcare, especially infants. There is state funding for expansion and start-up funding combined with start-up funding and support that Kids First offers and are hopeful this will continue to attract interest.</td>
<td>Kids First is advertising for the early childhood intern position. This has proven difficult, but we continue to work with HR to find the right person for that role. This position is termed with the person moving into a local childcare program when qualifications have been met.</td>
<td>This recruitment and hiring process will begin in March when most childcare staff have received the COVID vaccine.</td>
</tr>
</tbody>
</table>

Status Definitions:
- Complete (8-10 points)
- On Track (7-8 points)
- Some Progress (5-6 points)
- Infrequent Progress (3-4)
- Suspended (0-2)
## 1st Quarter 2021 City Council Goal Update Report

### Tier 1 (1-10) Goal

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<tr>
<td>Denise White/Alissa Farrell</td>
<td>Working with the Quality Office and a consultant, staff developed a Communications Satisfaction &amp; Preferences Survey which was available to the community Dec. 7, 2020 through Jan. 11, 2021. The survey builds upon feedback from previous focus groups and provides additional information on how people currently access City information, their preferences on what and how to receive future information and outreach, and other communication-related information to guide strategic planning. An additional Communications Manager was hired to support the Police and Community Development departments, as well as other citywide projects and initiatives and departments. Staff have focused on developing the inventory of communications channels and assets, documenting standard operating procedures for consistency and process improvement opportunities, defining Communications value-add proposition and levels of service, and auditing the City's current social media and website practices. These efforts will further inform City's Communications Strategic Plan.</td>
<td>Staff has started analysis of the survey results and will be crafting a summary to provide to senior leaders, key stakeholders, and Council. The survey results will be one important input to a Strategic Communication Plan. Staff will continue to gather input through Q3 from internal customers and various external stakeholders, including hard-to-reach populations. Staff will continue to support ongoing, real-time communications needs while establishing the Communications Strategic Plan's framework and first draft.</td>
<td>This is ongoing throughout 2021.</td>
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</table>

### Tier 2 (1-10) Goal

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<td>Phillip Supino, Mitch Ous, and Ron LeBlanc</td>
<td>The Winter in Aspen Vitality Team continued to explore and implement ways to support local businesses. Examples include: the design and reservation of 30 fifteen minute parking spaces for restaurant take out orders. Additionally, accommodations were put in place to allow restaurants to maximize business opportunities in line with capacity restrictions. These efforts were well received by both residents and local businesses.</td>
<td>The WAV Team will continue to meet but will transition to target the upcoming Spring/Summer season. Representatives from the Team will brief Council in an upcoming work session with suggestions for various segments of the local economy.</td>
<td>This is ongoing throughout 2021.</td>
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</tbody>
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**Status Definitions:**
- Complete (5-10 points)
- On-Track (5-8 points)
- Some Progress (5-6 points)
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- Stopped (0-2)
## 1st Quarter 2021 City Council Goal Update Report

### Goal - Waste Management: Develop a long-range community waste management plan to reduce waste in the highest impact landfill diversion areas

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<tr>
<td>5</td>
<td><strong>5</strong></td>
<td>Incentives: Provide incentives to increase voluntary diversion of solid waste</td>
<td>CJ Oliver &amp; Liz Chapman</td>
<td>The City of Aspen is providing year-round yard waste collection at the Rio Grande Recycle Center, including a seasonal collection of Christmas trees during December through February. Staff has also been continuing the collection of household metals and glass. During the pandemic, the Aspen Thrift Store has been closed and the textile collection bin at the recycle center has provided a place for people to recycle old clothing and shoes.</td>
<td>Establishing a free collection site for compostable take-away containers during bear hibernation season. Hiring a temporary full-time staff member to assist businesses and multi-family complexes in improving their waste diversion and reduction practices (as well as educating people to properly utilize recycling options). Working with the Pitkin County Solid Waste Center to purchase additional bear-proof compost dumpsters for free use by restaurants and meeting with compost haulers to determine other strategies for improving participation in compost collection. The Communications team is working with the Environmental Health staff to develop and deploy an recycling education campaign to encourage better participation in curbside recycling programs.</td>
<td>End of Q1 2021</td>
</tr>
<tr>
<td>5</td>
<td><strong>5</strong></td>
<td>Policy: Consider policy changes to address wildlife conflicts, consider construction impacts, and increase landfill longevity</td>
<td>CJ Oliver &amp; Liz Chapman</td>
<td>Staff met with City Council and received direction to pursue a long-range zero waste strategy for the community. This has resulted in staff preparing changes to the Solid Waste portion of the Municipal Code, as well as exploring options with the Pitkin County Solid Waste Center to divert construction and demolition waste.</td>
<td>Staff is doing research to prepare a plan for Council to evaluate in Q2 2021 to establish long-range strategies for reducing waste. Staff will also be presenting ordinance changes for Council to evaluate to address wildlife conflicts and improving diversion rates. Staff will also be sharing the progress of the County’s C&amp;D waste diversion program, thus far. Staff will also make recommendations for Council to discuss waste diversion strategies and partnerships with the Pitkin County Board of County Commissioners at the joint meeting on May 4.</td>
<td>Mid Q2 2021</td>
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### Goal - Stormwater Financing: Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River

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<td>4</td>
<td><strong>4</strong></td>
<td>Funding and Financing: Identify and Implement options</td>
<td>Scott Miller &amp; April Long</td>
<td>Staff has continued to gather information on system and program needs as well as research and filter viable options for funding the Roaring Fork River Program.</td>
<td>Staff will present options to Council in early Q2.</td>
<td>Based on Council recommendations, staff will begin implementation of funding options as soon as possible. Implementation is expected to continue throughout 2021.</td>
</tr>
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<td>Goal - Energy Conservation: Reduce the energy use in commercial and multi-family buildings through increased incentives and the advancement of Building IO, which requires energy use tracking and improved energy efficiency</td>
<td>4</td>
<td>Commercial energy rebates and funding for retrofits is available and numerous businesses are participating in programming. A customized energy site visit and report is available for free to any Aspen business. As part of this assessment, CORE will also benchmark the building in Portfolio Manager for free. Additional support from the City of Aspen and CORE is still available for those seeking to benchmark their building, however the voluntary benchmarking program proved unsuccessful, with only six commercial or multifamily buildings participating.</td>
<td>Continue to work with CORE to support Small Lodges and other local businesses in reducing energy costs.</td>
<td>The improvements to this program will remain and this goal will fold into ongoing, foundational programming.</td>
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<td>2</td>
<td></td>
<td>Building Policy: Draft and implement the Building IO policy, which includes required benchmarking followed by required upgrades for Aspen’s largest commercial buildings</td>
<td>5</td>
<td>Staff completed the first stage of community engagement and has draft ordinance language prepared. Staff continues to participate in national cohorts with peer cities to learn best practices in benchmarking and building performance standards.</td>
<td>When Council is ready to move toward policy adoption, staff will re-engage with community stakeholders and update the draft ordinance and program plan to include learnings from other communities.</td>
<td>Staff is prepared to bring an ordinance to City Council as early as Q2.</td>
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<td>Goal - Affordable Housing: Advance the quality of life through affordable housing opportunities that address financing, incentives, and maintenance through partnerships</td>
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<td></td>
<td>Until greater specificity around the scope of the development (whether for sale or rental, and the estimated costs) can be achieved, it is difficult to provide the financial options around these specific projects. Right now, the earliest timeframe to receive some financial modeling for the Lumberyard would be late Fall 2021.</td>
<td>There is no projected completion date for this goal currently. Projects continue to be inserted and/or prioritized and will continually require financial considerations that are unique to each.</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Resources: Increase resources for affordable housing development</td>
<td>Scott Miller &amp; Pete Strecker</td>
<td>The City is continuing outreach with other partners for their interest in a possible collaborative approach to future development of the Forest Service site for affordable housing. Development of the Lumberyard site continues to progress, with Council approval to solicit bids for a design team. Once a vendor is selected, schematic design will be achieved and provide parking alternatives and phasing options.</td>
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<td>8</td>
<td></td>
<td>Incentives: Review adopted regulations to improve incentives</td>
<td>Phillip Supino</td>
<td>Ordinances 10-13, 2021 are on track for passage on 5/11/21. These amendments reflect conversations with Council in several work sessions - and include an update to the fee-in-lieu for Affordable Housing (AH) mitigation, improvements to the AH Credits program, removal of incentives for lodge development that reduced AH mitigation and clean-ups to multi-family replacement policies.</td>
<td>Upcoming discussions will include: 1) Residential mitigation requirements - credit for existing and subgrade. 2) Policy and regulatory changes to multi-family replacement 3) Analysis and proposals for amendments to 26.700 and 26.575.020, in identifying new opportunities for AH development and retaining of mitigation requirements.</td>
<td>1 and 2, Q3 (2021); 3, Q4 (2021) or Q1 (2022)</td>
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<td>0</td>
<td></td>
<td>Financing: Establish a financial advisory board</td>
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<tr>
<td>6</td>
<td></td>
<td>Maintenance: Formulate options to address delayed housing maintenance</td>
<td>Scott Miller &amp; Sara Ott</td>
<td>Ongoing litigation is seen as a critical step to resolution of legal and financial matters. APCHA board is addressing policy changes in this area as well.</td>
<td>Resolve litigation and APCHA policy.</td>
<td>This is ongoing throughout 2021.</td>
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# EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

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<td>Goal - Childcare Sustainability: Engage with the business community and local stakeholders on ways to finance and expand childcare availability and create workforce development opportunities</td>
<td>8</td>
<td>Education: Increase awareness of benefits of Kids First and early childhood education</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Kids First and Communication developed a parent needs questionnaire to help determine how parents intend to use childcare as they return to work and come out of COVID-19 restrictions. The survey has been distributed widely, using external networks, and will be open through May 28. The landing page has a great deal of information about Kids First and the need for childcare, so even if people don’t take the survey, they will be able to read more about our services. Kids First participated in Prevention of Child Abuse Month in April, using pinwheels, signs, social media and an outdoor event with partners in Paepcke Park. May is Month of The Young Child.</td>
<td>In early June we will have survey results to share with Council and the Kids First Advisory Board, to help make recommendations for long range planning and focus. Kids First will provide an update on current and short-term planning at a June 7 work session with council. Kids First and Communication staff will continue to coordinate messaging as we move into the next quarter.</td>
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<td>Tier</td>
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<td>6</td>
<td>Resources: Identify and advance opportunities to increase childcare space and financing</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Kids First staff has developed a timeline with measurables to renovate a classroom at CMC to be used for infant care. Drawings are ready for permitting, and staff have begun a conversation with an existing childcare program to operate the childcare program for infants. The Kids First director participates in the Rocky Mountain Preschool Coalition (RMPC), a group of community members that have voiced support for the state’s Department of Early Childhood and continues to influence legislators regarding the programming of universal preschool (UPK). Shirley is a member of the early childhood stakeholders’ group that has been convened to help draft and advocate for the legislation - HB21-1304. The City of Aspen has added its endorsement of this bill, following the approved policy guidelines. Kids First staff has helped find childcare staff in the Basalt area to access the housing that the Aspen Skiing Company has completed in Willits. They have given priority for 8 units for childcare staff in the 3-mile area surrounding Basalt.</td>
<td>In the next quarter we hope to have agreement to begin work on the new classroom space, reach agreement for the operation and begin the licensing process, followed by some staff training, and putting equipment and materials in place. The Kids First Director will continue to participate in the RMPC (and other advocacy groups) through the legislative session. The RMPC intends to continue to work regionally to address the early childhood needs of working families. Additionally, Kids First will re-convene the employer’s capacity group; interest remains high to consider partnerships for childcare capacity for their workforce. Shirley has been involved in preliminary meetings with the Aspen School District’s plans to build a new early childhood building for their Cottage program. Our hope is that they will be able to increase their space and will consider a year-round model for some of the classrooms to meet the workforce need in the community.</td>
<td>This is ongoing throughout 2021.</td>
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## EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

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<tr>
<td>6</td>
<td>6</td>
<td><strong>Workforce:</strong> Take action to develop a qualified workforce</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Kids First is recruiting for our early childhood intern position, now that most COVID-19 restrictions have lifted, allowing us to place this person in childcare programs as part of their learning. Kids First staff hosted a workshop for high school students that may be interested in an early childhood experience. We have had overwhelming positive responses from the childcare directors for high school age, part-time aids this summer. We will help make those connections and provide training. Kids First also continues to work with CMC to deliver work-place classes for childcare staff, during their work hours, starting this fall. The Rocky Mountain Early Childhood Council (RMECC) hopes to build on this to create a more robust internship program that has incentives for staff and for the childcare programs.</td>
<td>Kids First plans to hire for the early childhood intern position by the end of May. Staff is working with the high school staff to develop a workplace learning programs for students starting in the fall 2021. The student would get credit for work hours, real world experience, and could take CMC classes while in high school for no cost. This model has shown to be very effective in other communities, with long-term employees as a possibility.</td>
<td>This is ongoing throughout 2021.</td>
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2 | **Goal - Community Engagement:** Create and implement a community engagement strategy that incorporates participation data to inform and increase future public participation in policy decisions |
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<td></td>
<td>8</td>
<td>Communications: Create and implement a comprehensive communications plan. REVISED: Create and implement a comprehensive communications plan.</td>
<td>Denise White/Alissa Farrell</td>
<td>Staff continued to focus on current situation analysis, establishing an inventory of communications channels and assets, documenting standard operating procedures for consistency and process improvement opportunities, defining internal organization levels of service and staff roles/needs to maintain quality service, and auditing the City’s current social media and website practices. Staff has also extensively researched best practices and industry trends to identify opportunities to improve current City practices while forecasting future needs. Working with the Quality Office and the consultant, data from the eChats and community survey on communications was analyzed, which helped staff identify focus areas for the strategic plan and short-term priorities. Staff provided two memos to Council, including an informational memo with survey results and a memo which accompanied a work session with Council on May 4. During this meeting, staff asked for feedback on the identified focus areas and priorities. Communications staff continue to support ongoing, real-time needs while establishing the Communications Strategic Plan’s framework and first draft.</td>
<td>Staff will complete a few identified outreach efforts, then incorporate the new feedback with that previously gathered to complete a draft of the Strategic Communications Plan. Staff anticipates sharing a draft plan with Council, internal stakeholders, partners, and our community in September 2021 for final feedback. Following this window, staff will incorporate feedback and refine the plan, culminating in a request for final approval by City Council in November 2021.</td>
<td>This is ongoing throughout 2021.</td>
</tr>
<tr>
<td>Tier</td>
<td>Status (1-10)</td>
<td>Goal</td>
<td>Lead (s)</td>
<td>Accomplishments (Feb. 2020 - Present)</td>
<td>Next Steps (Q2 and Q3 2021)</td>
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<td>2</td>
<td></td>
<td><strong>Goal - Local Businesses: Analyze opportunities to retain and attract essential, small, local and unique business to provide a balanced, diverse and vital use mix supporting the community</strong></td>
<td>Multiple departments (CommDev, EHS, Downtown Services, City Clerk, and the CMO) collaborated to develop seasonal programs to support existing businesses in COVID pandemic adaptation. The program includes right-of-way use, land use code, building code and permitting waivers; consumer protection outreach; direct business consultation and support; expedited review and permitting; and excellent customer service. This program was revised seasonally to respond to climatological and health-order needs. It has provided in-kind and direct dollar financial savings of $444,580 to date (excluding summer 2021) to support businesses.</td>
<td>Staff will plan and execute the Summer 2021 program, support discussion with Council about post-pandemic business support, and return to the downtown regulation enforcement regime.</td>
<td>This is ongoing throughout 2021.</td>
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<td>7</td>
<td></td>
<td><strong>Community Vitality: Analyze opportunities to retain and attract essential, small, local and unique businesses to provide a balanced, diverse, and vital use mix supporting the community. Note: Per Council direction, this goal has a revised focus of maintaining and supporting existing local businesses.</strong></td>
<td>Phillip Supino, Mitch Osur, and Ron LeBlanc</td>
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<tr>
<td>1</td>
<td></td>
<td><strong>Goal - Waste Management: Develop a long-range community waste management plan to reduce waste in the highest impact landfill diversion areas</strong></td>
<td>The City hired a temporary full-time staff member in May to assist businesses and multi-family complexes in improving their waste diversion and reduction practices (as well as educating people to properly utilize recycling options). In addition, the City has partnered with Pitkin County on an educational campaign to reduce recycling contamination (this launched in late April 2021). Staff has also been continuing the collection of household metals and glass, textiles and household batteries, and added a second yard waste collection bin at the Rio Grande Recycle Center. Staff is working with businesses and waste haulers to improve waste collection in select downtown alleyways.</td>
<td>New staff will be working with local business through the summer to improve their waste practices. This will include training, improving signage, and encouraging waste reduction and diversion practices. Staff will work with the Pitkin County Solid Waste Center to purchase additional bear-proof compost dumpsters for free use by restaurants and will meet with compost haulers to determine other strategies for improving participation in compost collection, but have run into supply shortages.</td>
<td>Ongoing through 2022</td>
<td></td>
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<tr>
<td>6</td>
<td></td>
<td><strong>Incentives: Provide incentives to increase voluntary diversion of solid waste</strong></td>
<td>CJ Oliver &amp; Liz Chapman</td>
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<td>Tier</td>
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<tr>
<td>4</td>
<td></td>
<td>Policy: Consider policy changes to address wildlife conflicts, consider construction impacts, and increase landfill longevity</td>
<td>CJ Oliver &amp; Liz Chapman</td>
<td>Multiple departments are working together and drafting changes to the current Municipal Code to make it internally consistent, provide better wildlife protection, and encourage greater participation in waste reduction activities. Staff is continuing to monitor Pitkin County’s progress to divert construction and demolition waste.</td>
<td>Staff is doing research to prepare a plan for Council to evaluate in Q3 2021. The plan will establish long-range strategies for reducing waste. Staff will also be sharing the progress of the County’s C&amp;D waste diversion program later in 2021.</td>
<td>Ongoing through the end of 2021</td>
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<tr>
<td>1</td>
<td></td>
<td>Goal - Stormwater Financing: Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River</td>
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<tr>
<td>8</td>
<td></td>
<td>Funding and financing: Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River</td>
<td>Scott Miller &amp; April Long</td>
<td>April Long and Pete Strecker presented refined funding needs and several different options for funding sources to Council in the May 4 work session. Council provided direction for those options to analyze further and those they no longer wish to pursue at this time.</td>
<td>April will seek opportunities for grant and partnership funding of projects proposed in 2022 and 2023. April will also expedite the infrastructure inventory to better prioritize projects and cost estimates. Pete will further analyze impacts of an operational shift of resources, the potential of using RETT as a funding source, and consideration of stormwater infrastructure projects included in the AMP. April and Pete will continue discussions on these sources during budget development.</td>
<td>November 2021.</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Goal - Energy Conservation: Reduce the energy use in commercial and multi-family buildings through increased incentives and the advancement of Building IQ, which requires energy use tracking and improved energy efficiency</td>
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## EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

<table>
<thead>
<tr>
<th>Tier</th>
<th>Status (1-10)</th>
<th>Goal</th>
<th>Lead (s)</th>
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<th>Expected Completion Date(s)</th>
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<tbody>
<tr>
<td>8</td>
<td></td>
<td><strong>Incentives:</strong> Increase incentives for commercial and multi-family property owners and renters</td>
<td>CJ Oliver &amp; Ashley Perl</td>
<td>In partnership with CORE, the Climate Action Office helped small lodges, multi-family housing complexes, and local businesses save energy and address important capital improvements through rebates and grants from the REMP fund.</td>
<td>CORE has identified a handful of multi-family properties that are eligible for REMP funding to improve energy efficiency. The scope of those projects is currently under development and the work will begin this summer to make improvements to safety, comfort, and energy efficiency.</td>
<td>This is a foundational program that is ongoing year after year, with annual adjustments.</td>
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<tr>
<td>4</td>
<td></td>
<td><strong>Building Policy:</strong> Craft and implement the Building IQ policy, which includes required benchmarking followed by required upgrades for Aspen’s largest commercial buildings</td>
<td>CJ Oliver and Ashley Perl</td>
<td>The Climate Action Office offered a voluntary benchmarking program in 2020, at Council’s direction. There was limited interest and low participation in this voluntary program. Staff continues to refine the Benchmarking and Building Performance Metrics policy and program plan.</td>
<td>Staff plans to bring the Building IQ policy to City Council late summer 2021 for approval. This policy and program implementation would set Aspen on the path towards significant carbon reduction and remains the single biggest action that Aspen can take to address climate change.</td>
<td>Policy approval by Q4 and program implementation soon thereafter.</td>
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### Goal - Boards and Commissions: Evaluate decision-making authority for quasi-judicial boards and commissions

<table>
<thead>
<tr>
<th>Tier</th>
<th>Role</th>
<th>Goal</th>
<th>Lead (s)</th>
<th>Accomplishments</th>
<th>Next Steps</th>
<th>Expected Completion Date(s)</th>
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<tbody>
<tr>
<td>0</td>
<td></td>
<td><strong>Roles:</strong> Evaluate decision-making authorities</td>
<td>-</td>
<td><strong>Initiative removed for 2020 &amp; 2021</strong></td>
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<td>Tier</td>
<td>Status (1-10)</td>
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<td>Completed</td>
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<td>9-10</td>
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<td></td>
<td>On Time</td>
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<td>7-8</td>
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<td></td>
<td>Some Progress</td>
<td></td>
<td>5-6</td>
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<tr>
<td></td>
<td>Infrequent Progress</td>
<td>3-4</td>
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<td></td>
<td>Stopped</td>
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## JULY 2021 SCORECARD SUMMARY

**(NOTE: BOLDED ITEMS ARE UPDATES AS OF JULY, ALL OTHER CONTENT REMAINS UNCHANGED FROM MAY 18th CITY COUNCIL UPDATE)**

<table>
<thead>
<tr>
<th>Tier</th>
<th>Status (1-10)</th>
<th>Goal</th>
<th>Lead(s)</th>
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<th>Expected Completion Date(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Goal - Affordable Housing: Advance the quality of life through affordable housing opportunities that address financing, incentives, and maintenance through partnerships</td>
<td>8</td>
<td>Scott Miller &amp; Pete Strecker</td>
<td>Estimation on construction pricing and strategies for rental and ownership mixture of the development have been incorporated into a preliminary modeled. When these figures are overlayed by the current tax sunset date of Dec. 31, 2040, the annual debt service estimate is such that further phasing and/or a ballot question - to either extend the sunset date or create additional resources - may be necessary.</td>
<td>There is no projected completion date for this goal currently. Projects continue to be inserted and/or prioritized and will continually require financial considerations that are unique to each.</td>
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<tr>
<td>8</td>
<td>Resources: Increase resources for affordable housing development</td>
<td>8</td>
<td>Phillip Supino</td>
<td>Ordinances 10-13, 2021 were passed in May 2021. These amendments reflect conversations with Council in several work sessions - and include an update to the fee-in-lieu for Affordable Housing (AH) mitigation, improvements to the AH Credits program, removal of incentives for lodge development that reduced AH mitigation and clean-ups to multi-family replacement policies.</td>
<td>1 and 2, Q3 (2021); 3, Q4 (2021) or Q1 (2022)</td>
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<tr>
<td>0</td>
<td>Financing: Establish a financial advisory board</td>
<td></td>
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<td>Initiative removed for 2020 &amp; 2021</td>
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<tr>
<td>8</td>
<td>Maintenance: Formulate options to address delayed housing maintenance</td>
<td>Scott Miller &amp; Sara Ott</td>
<td>Ongoing litigation is seen as a critical step to resolution of legal and financial matters. APCHA board is addressing policy changes in this area as well.</td>
<td>This is ongoing throughout 2021.</td>
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</tr>
<tr>
<td>1</td>
<td>Goal - Childcare Sustainability: Engage with the business community and local stakeholders on ways to finance and expand childcare availability and create workforce development opportunities</td>
<td>8</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Kids First has planned public engagement events planned for the farmers market and the city picnic in the near term.</td>
<td>This is ongoing throughout 2021.</td>
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<tr>
<td>8</td>
<td>Education: Increase awareness of benefits of Kids First and early childhood education</td>
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<tr>
<td>Tier</td>
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<tr>
<td>6</td>
<td>Resources: Identify and advance opportunities to increase childcare space and financing</td>
<td>Shirley Ritter &amp; Ron LeBlanc</td>
<td>Obtained estimated cost for building additional childcare space, both new building and remodel costs. Plans for infant room at CMC are complete, submitted for permitting, and we are waiting on CMC approval of the agreement to operate the infant room.</td>
<td>This is ongoing throughout 2021.</td>
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</table>

<p>| Tier (1-10) | Goal | Lead(s) | Accomplishments (Feb. 2020 - Present) | Expected Completion Date(s) |</p>
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<tbody>
<tr>
<td>8</td>
<td></td>
<td>Communications: Create and implement a comprehensive communications plan. REVISED: Create and implement a comprehensive communications plan.</td>
<td>Denise White/Alissa Farrell</td>
<td>Based on the data obtained from the eChats and community survey along with additional information that is being gathered, staff are in the process of developing the Strategic Communications plan. Staff provided two memos to Council, including an informational memo with survey results and a memo which accompanied a work session with Council on May 4. During this meeting, staff asked for feedback on the identified focus areas and priorities. This feedback will be incorporated into the Strategic Communications plan.</td>
<td>This is ongoing throughout 2021.</td>
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<td>2</td>
<td>Community Vitality: Analyze opportunities to retain and attract essential, small, local and unique businesses to provide a balanced, diverse and vital use mix supporting the community</td>
<td>Phillip Supino, Mitch Osur, and Ron LeBlanc</td>
<td>Multiple departments (CommDev, EHS, Downtown Services, City Clerk, and the CMO) collaborated to develop seasonal programs to support existing businesses in COVID pandemic adaptation. The program includes right-of-way use, land use code, building code and permitting waivers; consumer protection outreach; direct business consultation and support; expedited review and permitting; and excellent customer service. This program was revised seasonally to respond to climatological and health-order needs. It has provided in-kind and direct dollar financial savings of $444,580 to date (excluding summer 2021) to support businesses.</td>
<td>This is ongoing throughout 2021.</td>
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<tr>
<td>1</td>
<td>Waste Management: Develop a long-range community waste management plan to reduce waste in the highest impact landfill diversion areas</td>
<td>CJ Oliver &amp; Liz Chapman</td>
<td>The reusable bag bank program was relaunched in June 2021. This has re-instated over a dozen locations where visitors and residents can obtain a free reusable bag (made from recycled materials). The City and County have applied to the CDPHE grant program to purchase metal bear-proof compost collection containers at no cost to the users. Trainings are being scheduled with local businesses to improve waste practices. Surveillance of the alleys is being done to determine which locations can improve waste diversion and bear safety. The City and County have partnered to ensure metals collection continues at the Rio Grande Recycle Center, since the metals hauler withdrew participation in May.</td>
<td>Ongoing through 2022</td>
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<td>5</td>
<td>Policy: Consider policy changes to address wildlife conflicts, consider construction impacts, and increase landfill longevity</td>
<td>CJ Oliver &amp; Liz Chapman</td>
<td>Staff presented to Council on July 6, 2021 the two high impact areas to make changes to the Municipal Code to reduce landfill waste. Various departments within the City are examining the current code to make sure upcoming revisions are consistent and move Aspen towards the priorities established by Council during the July 2021 retreat.</td>
<td>Ongoing through 2022 and beyond</td>
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<td>Tier</td>
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<td>1</td>
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<td><strong>Goal - Stormwater Financing:</strong> Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River</td>
<td>April Long and Pete Strecker presented refined funding needs and several different options for funding sources to Council in the May 4 work session. Council provided direction for those options to analyze further and those they no longer wish to pursue at this time.</td>
<td>November 2021.</td>
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<td><strong>Goal - Energy Conservation:</strong> Reduce the energy use in commercial and multi-family buildings through increased incentives and the advancement of Building IQ, which requires energy use tracking and improved energy efficiency</td>
<td>Scott Miller &amp; April Long</td>
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<td><strong>Incentives:</strong> Increase incentives for commercial and multi-family property owners and renters</td>
<td>CJ Oliver &amp; Ashley Perl</td>
<td>In partnership with CORE, the Climate Action Office helped small lodges, multi-family housing complexes, and local businesses save energy and address important capital improvements through rebates and grants from the REMP fund.</td>
<td>This is a foundational program that is ongoing year after year, with annual adjustments.</td>
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<td></td>
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<td><strong>Building Policy:</strong> Craft and implement the Building IQ policy, which includes required benchmarking followed by required upgrades for Aspen’s largest commercial buildings</td>
<td>CJ Oliver and Ashley Perl</td>
<td>The Climate Action Office offered a voluntary benchmarking program in 2020, at Council’s direction. There was limited interest and low participation in this voluntary program. Staff continues to refine the Benchmarking and Building Performance Metrics policy and program plan.</td>
<td>Policy approval by Q4 and program implementation soon thereafter.</td>
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<td><strong>Goal - Boards and Commissions:</strong> Evaluate decision-making authority for quasi-judicial boards and commissions</td>
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<tr>
<td></td>
<td>0</td>
<td><strong>Roles:</strong> Evaluate decision-making authorities</td>
<td></td>
<td>Initiative removed for 2020 &amp; 2021</td>
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MEMORANDUM

TO: Mayor Torre and City Council

FROM: Ashley Perl, Climate Action Manager, Liz Chapman, Senior Waste and Environmental Health Specialist, Chris Menges, Sustainability and Climate Programs Administrator

THRU: CJ Oliver, Environmental Health and Sustainability Director
       Phillip Supino, Community Development Director

MEMO DATE: July 2, 2021

MEETING DATE: July 6, 2021

RE: Environmental Health & Sustainability Workplan Update

REQUEST OF COUNCIL:
This memo and accompanying presentation will provide information for City Council's consideration in advance of Council's retreat and goal setting activities. No action is requested of Council and no direction to staff is needed at this time.

SUMMARY AND BACKGROUND:
Summary
In keeping with the Aspen City Council's mission "to engage with positive civil dialogue, provide the highest quality innovative and efficient municipal services, steward the natural environment, and support a healthy and sustainable community for the benefit of future generations with respect for the work of our predecessors", staff is sharing information about the current waste and climate crisis to inform Council's discussion at the 2021 goal setting retreat.

Local governments, across the world have taken bold environmental actions to benefit their communities and prevent the catastrophic consequences of climate change, and the City of Aspen is no exception. The City of Aspen and the Roaring Fork Valley have been committed to reducing the community's environmental footprint for decades, and local governments and partners have achieved significant successes. Thanks in large part to community members who engaged in various programs, the Aspen community has demonstrated that it can enact positive change.

However, local program data and nation-wide analysis conducted by ICLEI shows that the voluntary participation in climate and waste reduction programs to date is not sufficient to achieve the ambitious goals of the community and City Council. The intensifying costs and impacts of climate change and environmental degradation from excessive resource use remains a challenge, and cities across the world have the ability to make the necessary changes. More impactful and immediate action is needed to protect the health and quality of life for residents; extend the life of the landfill; and ensure the future of Aspen provides equitable access to the resources the community prioritizes.
The **scientific community** emphasizes that the next 8 years are the most critical to reducing greenhouse gas (GHG) emissions to levels that will hold global warming to the critical 1.5° Celsius threshold. And in the same timeframe, Aspen must reduce waste close to zero to prolong the life of the local landfill. These are exceptional challenges with significant, generational-scale consequences for the Roaring Fork Valley and beyond. Aspen remains uniquely well positioned to address them. As City Council prepares for their annual goal setting retreat, staff is providing information about how City Council can adopt science-based strategies capable of achieving ambitious, essential climate and waste reduction goals. These goals will need to be supported by new policies and regulations in order to be effective.

**Previous Council Action**

Aspen’s City Council has taken previous actions to reduce GHG emissions and resource use, including:

- Adopting the 2012 *Aspen Area Community Plan* (AACP), which emphasizes the importance of tackling climate change and reducing waste.
- Adopting the 2018 – 2020 *Climate Action Plan* (CAP), which lays out a pathway and actions to reduce community GHG emissions in alignment with the City’s climate action target of reducing GHG emissions 80% by 2050 from 2004 levels. The CAP includes actions in five key sectors: Waste Reduction, Commercial Buildings, Residential Buildings, Vehicles, and Airport.
- Adopting the *Aspen Community Electric Vehicles Readiness Plan* in 2017, which outlines strategies for the City to support EV adoption in the Aspen area.
- Supporting sustainability efforts in the *City of Aspen 2021 Regional, State, and Federal Policy Agenda*.
- Completing a comprehensive *Waste Study* from 2015-2017 which produced recommendations to reduce waste, extend the life of the landfill and reduce GHG emissions.
- In 2019, City Council adopted 2-year goals in the areas of waste reduction and climate action. Actions taken by staff in support of these goals include hiring a temporary staff member; launching a recycling educational campaign in partnership with Pitkin County; managing the Rio Grande Recycle Center to meet community needs; meeting with downtown businesses to improve waste practices; improving waste diversion at the Marolt Ranch Housing facility; and beginning to develop a long-term zero waste plan for Aspen. Additional actions were taken in the energy sector including launching a benchmarking help desk for businesses and expanding the income qualified energy assistance program.

These previous Council actions were strategic in their time and allowed the City to test and learn what is possible through voluntary programming. To date, voluntary programs have delivered direct benefits to program participants, yet they yield insufficient progress in achieving Council’s goals.

Given the urgency of the climate crisis, the shortening lifespan of the local landfill, and the accelerated pace of *resource use*, the current best practice for local governments worldwide and the recommendation for Aspen is to pursue waste reduction and climate action policies and programs on a faster timeline and with a more aggressive, mandated approach. The staff recommendation that follows suggests a shift towards more policies and regulations that build upon the existing programming that has earned Aspen recognition as a global environmental leader.

**Background**
Aspen’s Changing Climate Aspen has experienced the effects of a changing climate for nearly four decades, and continues to see impacts to human health, infrastructure, ecosystems and the economy from the warming climate. In Aspen the measurement of frost-free days is used to gauge the extent of local warming. Frost free days is a measure of the total days per year when temperatures in Aspen do not dip below freezing for a 24-hour period. In the 2010-2019 period, 120 frost free days annually were measured in Aspen compared to 89 days in 1980. This change represents over a month of lost winter. Warmer temperatures come with real costs including poor air quality, more frequent and intense fires, damage to infrastructure, decreased visitors, and damaged ecosystems, according to the National Climate Assessment. Aspen will see more of these impacts at worsening and accelerated levels unless the world (including Aspen) can decarbonize significantly within the next 8 years and reach net zero carbon by 2050.

Aspen’s GHG Emissions As of its last published measurement in 2017, the Aspen community had reduced its greenhouse gas emissions by 20% since 2004 (Attachment B). This level of decrease is slightly less than the average decrease from other leading cities, according to data compiled by ICLEI. The majority of these GHG reductions resulted from a more renewable electricity grid. Between 2004 and 2017, Aspen Electric became 100% renewable and Holy Cross Energy became about 40% renewable (with a commitment to get to 100% by 2030). A small portion of achieved reductions can be attributed to energy efficient building codes, transit service, and overall increases in vehicle fuel economy. Locally provided voluntary programs have helped keep resource consumption relatively stable but have not yielded major reductions.

Aspen’s GHG forecast shows that the community will fall significantly short of its 2050 GHG reduction targets even if its electricity supply becomes entirely renewable, as planned. Not only is Aspen’s current GHG reduction goal less ambitious than is scientifically necessary, but the forecast does not account for the unknown impacts of post-pandemic lifestyle changes.

Emissions from Waste The emissions associated with disposal and transportation of Aspen’s waste are responsible for 9% of Aspen’s total GHG emissions (Attachment B). To reduce those emissions, food waste must be removed from the landfill through a more robust organics collection and composting program.

Shrinking Landfill Life In addition to contributing to climate change, Aspen’s trash also continues to fill the Pitkin County Landfill. At current rates, the landfill will be full and unusable by the year 2030. This will necessitate transporting waste to a non-local landfill which will increase the carbon footprint of Aspen’s waste and the cost of waste disposal. To extend the useful life of the landfill, construction and demolition waste must be diverted away from burial.

DISCUSSION:
The key take-away from the data and the science is that Aspen’s climate action and waste reduction programs and goals must be accomplished on a much shorter timeline than originally planned for. Within the next 8 years the landfill will run out of space at current rates of waste disposal, which means Aspen has 8 years to achieve community wide composting and significantly decrease construction and demolition waste. Similarly, the window of opportunity to hold global average temperature increase to 1.5° C above preindustrial levels is rapidly closing and requires reducing GHG emissions at least 63% by 2030 and to net zero by 2050 (as calculated by ICLEI). Like the nation and world, Aspen has 8 years to reduce emissions at these levels, which requires electrifying buildings and vehicles on a renewable electricity grid. Achievements of this magnitude will require participation from all members of and organizations in the community, following the lead of a bold and innovative City of Aspen.
Aspen, along with cities across the world, needs to deliver the most substantive reductions by 2030 and continue moving towards zero by the year 2050. Aspen is not alone in the environmental stewardship journey. Numerous other communities offer recycling and composting programs, free public transit, and energy efficiency incentives. The experience locally and from other cities shows that Aspen has likely seen most early adopters in the community participate in City-offered programs like composting and energy efficiency. Local data from the SCAPPS composting program shows that approximately 5% of residents and 20% of the restaurants choose to divert compost and take advantage of the city-provided incentives. This aligns with the experiences in Fort Collins, Boulder, San Francisco, and Portland which did not see their diversion rates rise above the national average until they enacted mandates which required diversion as part of the waste management system.

Below are staff recommendations for how to transition Aspen’s long-standing voluntary programs into high-impact solutions that will lead to achieving the community and City Council’s goals. If Council decides to pursue these new policies and regulations, staff will present Council with a deeper analysis of each action, as well as the financial implications.

Waste Reduction
Although the overall GHG emissions associated with waste disposal are smaller than those associated with reducing energy usage in the built environment, Aspen will struggle to achieve its GHG reduction goals without increased organics diversion and reducing material landfilled from development activities.

Waste reduction programs and mandates provide the additional value of increasing the life expectancy of the local landfill and avoiding the negative impacts of transporting waste outside of the region. The embodied energy and carbon emissions of manufacturing products from virgin resources are reduced when materials are recycled and reused. Recycling results in greenhouse gas reduction, even when transportation emissions are considered. Increasing local compost production not only reduces greenhouse gas emissions from the landfill, but also provides a soil amendment to improve local soils.

High Impact Priorities – Waste Reduction

- **Construction and demolition waste diversion** In 2020, over 58% of the material buried in the Pitkin County landfill came from construction and demolition activities. Since staff estimates that 79% of the construction and demolition waste received at the Pitkin County landfill is generated by construction within the City limits, the City of Aspen has the potential to dramatically impact this waste stream in the following ways:
  1. Enact waste diversion requirements for new construction,
  2. Require deconstruction for demolition sites,
  3. Require recycled or repurposed materials to be used in new construction.

- **Organics diversion** Analysis of the waste coming from Aspen residents and businesses in 2015 indicated almost 40% could be diverted to the compost operations at the Pitkin County Solid Waste Center. Organic material buried in the landfill is the largest contributing factor to landfill methane emissions. Further, diverting food waste from trash dumpsters reduces the attraction of wildlife to trash dumpsters.
  1. Require food waste diversion in the commercial sector
  2. Require compost collection for residents
Climate Action
The largest contributors to Aspen’s GHG emissions are existing buildings and vehicles. Modeling scenarios indicate that fully electrifying buildings and transportation with the community’s planned 100% renewable grid would make it possible to reduce the community’s GHG emissions to the necessary -63% by 2030 and net zero by 2050 (as calculated by ICLEI). Based on this modeling, the following priorities are recommended as the highest impact approaches to achieving Aspen’s climate goals.

High Impact Priorities – Climate Action

- **Electrification of the built environment** New buildings are built according to Aspen’s strict building codes and are relatively energy efficient compared to older buildings. Existing buildings are the largest potential for reducing Aspen’s footprint. Over time all of Aspen’s commercial and residential buildings must take the following steps towards electrification:
  1. Measure and track energy use (Energy Benchmarking/ Building IQ)
  2. Increase the efficiency of the building envelope (Energy Efficiency Improvements/Building IQ)
  3. Switch appliances and systems away from natural gas onto electricity (Electrification)

This process will be incremental, and it will take decades for all of Aspen to become fully electrified. Community preparations and early, meaningful action toward this goal are essential to meeting our climate action mandates. To kickstart Aspen’s path towards electrification, staff recommends a mandatory Building IQ program be enacted. This policy would require owners of existing buildings, of a certain size, to track energy and water use and then take steps to reduce that use. This program is now in place in close to 100 cities across the country and is a best practice for building owners to increase livability of these buildings while reducing utility costs.

- **Fleet Electrification** Replacing gas and diesel fueled vehicles with all electric vehicles is another key action to reducing Aspen’s GHG emissions. The City of Aspen currently supports this transition by providing public charging stations for individuals. However, the City of Aspen fleet is predominantly made up of gasoline and diesel vehicles. Electrification of the City’s fleet should be focused on passenger vehicles, of which there are many, prior to focusing on medium to heavy duty vehicles. By setting a goal to rapidly increase the percentage of electric vehicles in the City of Aspen fleet, the City can lead the way towards the clean vehicle transition for the community.

Climate Action + Waste Reduction = Race to Zero

Climate Action and Waste Reduction may seem like parallel program areas. However, it is a best practice for cities to integrate waste and climate action policies and regulations to optimize program effectiveness and achieve meaningful results. The Race to Zero campaign is one way to strategically integrate and accelerate the achievement of waste and climate goals. The Race to Zero (Attachment C) is a commitment to act at the scale and speed that science demonstrates is needed to address the environmental challenges of the time. All of the high-impact priorities listed above are part of the Race to Zero commitment. If City Council chooses to sign on as a Race to Zero city, the City will receive resources and assistance to help implement these programs and policies.

Should City Council desire to set an overarching, high-impact goal that encompasses both waste reduction and climate action, Council could commit to joining the Race to Zero and completing the customized action plan that would be created for Aspen as part of the membership benefits.
FINANCIAL IMPACTS:
Different programs and policies in climate action and waste reduction require specific budgets and resources to implement. Existing budget is in use to deliver the wide array of programming that is currently offered by the City of Aspen to help the community reduce their footprint. To expand or mandate these programs, additional resources are required. If the City of Aspen chooses to join the Race to Zero, the city will be eligible for financial benefits and additional support to implement the chosen actions.

ENVIRONMENTAL IMPACTS: Improving air quality, conserving resources, protecting the local watershed and extending the life of the landfill are immediate impacts of adopting more aggressive environmental goals. Reducing the frequency and intensity of fires, minimizing damage to infrastructure and ecosystems, and ensuring a viable community and environment for future generations are some of the long-term benefits of reducing GHG emissions.

NEXT STEPS: Should City Council desire to set meaningful goals in the areas of waste reduction and climate action, staff recommends goals that a shift towards more policies, codes and regulations as the most impactful way to achieve measurable results in the next 8 years.

- Council could adopt a goal to reduce landfill waste through mandatory diversion of food, organics, construction, and demolition waste from the landfill.
- Council could adopt a goal to mandate the increased efficiency and incremental electrification of the built environment, starting with a Building IQ ordinance that requires existing buildings to track and improve energy efficiency.
- Council could choose to adopt an integrated goal committing to the Race to Zero mission to ensure both waste reduction and climate action programs are prioritized in Council's goal structure and staff priorities.

A City Council goal in any of these areas would direct staff to focus more time and resources towards aggressive environmental stewardship mandates that can bring the community closer to achieving its stewardship goals. If City Council chooses to adopt such a goal(s), staff will provide the specific information Council will need to evaluate various actions to achieve the new goals. Staff will return to City Council with an implementation plan and analysis that includes both the advantages and disadvantages of policy changes, as well as financial implications of individual programs.

ATTACHMENTS:
Attachment A: High Impact Priorities – At A Glance
Attachment B: Aspen’s Greenhouse Gas Emissions – Highlights from 2017 Inventory
Attachment C: Race to Zero
<table>
<thead>
<tr>
<th>SECTOR</th>
<th>HIGH IMPACT ACTIONS</th>
<th>GHG REDUCTIONS</th>
<th>COMMUNITY BENEFITS</th>
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<td></td>
<td><strong>Organics Diversion</strong></td>
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<td></td>
<td>✓ Require food waste diversion through ordinance</td>
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<td></td>
<td>✓ Provide financial incentives or support for compost collection</td>
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<td><strong>Construction &amp; Demolition Waste Diversion</strong></td>
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<td></td>
<td>✓ Require diversion at new construction sites</td>
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<td></td>
<td>✓ Require deconstruction at demolition sites</td>
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<td></td>
<td>✓ Require recycled content for new construction</td>
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<td><strong>Building Electrification &amp; Energy Efficiency</strong></td>
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<tr>
<td></td>
<td>✓ New buildings: Adopt energy code requiring electrification</td>
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<tr>
<td></td>
<td>✓ Existing buildings: Approve ‘Building IQ’ policy</td>
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<td></td>
<td><strong>Electric Vehicles, Fleets &amp; Transportation</strong></td>
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<td></td>
<td>✓ Resolution to electrify City of Aspen vehicle fleet</td>
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<td></td>
<td>✓ EV requirements and incentives for fleet operators</td>
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<td></td>
<td>✓ Consumer EV incentives</td>
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<td></td>
<td>✓ EV requirements and incentives for transit and school busses</td>
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<td></td>
<td>✓ Improve EV charging infrastructure</td>
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**KEY**

- Diversion Potential
- Economic Benefits
- Community Resiliency
- Environmental Benefits
- Equity Impact

**GHG Reduction Potential**

- Large
- Largest
Attachment B

Highlights from Aspen’s most recent* Community-wide GHG Inventory.

Full Report contains:
- Reduction results
- Sector trends
- GHG Forecast
- Takeaways

* An Updated ‘GHG Inventory will be available in late summer/fall 2021.

Sources of Aspen’s GHGs (2017)

- Commercial Energy: 25%
- Residential Energy: 33%
- Transportation: 24%
- Waste: 12%
- Aviation: 5%
GHG Reductions: 2004 to 2017

Achieved Reductions:
-20.5% since 2004

Science-based goals:
-63% by 2030
'Net zero' by 2050
The Race to Zero

Race To Zero is a global campaign (established by the UN Climate in June 2020) to rally leadership and support from businesses, cities, regions, investors for a healthy, resilient, zero-carbon recovery that prevents future threats, creates decent jobs, and unlocks inclusive, sustainable growth. The Cities Race to Zero is the local government engagement opportunity within the UN's initiative and is coordinated by city network partners:
An Invitation to Go
Further Faster
Milestones on the Race to Zero
Science-Based Targets are an Important Step in:

Setting climate goals for 2030 or sooner that put your community on a path to climate neutrality

Reaching the scale of reductions necessary to limit global warming to 1.5°C

Maintaining steady progress

Prioritizing action now
High Impact Action Pathways

Accelerating

Renewable Energy

Building Electrification (and Efficiency): New and Existing

EV Transition (and VMT Reduction)

Supporting

Waste and Methane

Nature-Based Solutions

Sustainable Food Systems

Circular Economy

Community Resilience, Health, and Equity (Just and Equitable Transition)

It can’t be done alone. The High Impact Action Pathways include avenues for advocacy and collaboration for systemic change.
Take the first steps on the Race to Zero

ICLEI150 will support your ambition
FOLLOW-UP MEMORANDUM
CITY COUNCIL WORK SESSION

MEETING DATE: July 6, 2021
FOLLOW-UP MEMO DATE: July 13, 2021
AGENDA TOPIC: Environmental Sustainability Workplan Update
PRESENTED BY: Ashley Perl, Climate Action Manager, CJ Oliver, Environmental Health and Sustainability Director, Chris Menges, Sustainability and Climate Programs Administrator
COUNCIL MEMBERS PRESENT: Mayor Torre and Council members Doyle, Hauenstein, Mesirow and Richards

WORK SESSION DISCUSSION SUMMARY: Staff presented City Council with a synopsis of the current environmental challenges facing the world and the local community and showed evidence to suggest that Aspen has 8 years in which to take meaningful action to reduce greenhouse gas emissions and waste to avoid the irreversible environmental challenges that come from global warming and resource use. City Council was generally supportive of taking additional steps in the policy realm to address climate change and resource use and reiterated support for achieving Aspen’s community stewardship goals.

Multiple council members asked a version of the following question ‘where can staff time and council funds best be spent?’.
In response to this question, staff recommends Council focus on the high impact priorities listed below. These priorities are not only the most impactful for reducing waste and greenhouse gas emissions, but they are also building blocks that will put Aspen on a pathway for future innovation and impactful programming. All four of the following high impact priorities can also be encompassed into one focused commitment through the Race to Zero framework.

Enact Building IQ Existing buildings represent the largest potential for reducing Aspen’s carbon footprint. Overtime all of Aspen’s commercial and residential buildings must take the following steps towards electrification:
1. Measure and track energy use (Building IQ)
2. Increase the efficiency of the building envelope (Building IQ)
3. Switch appliances and systems away from natural gas onto electricity (Electrification)

Electrify the City fleet Replacing gas and diesel fueled vehicles with all electric vehicles is another key action to reducing Aspen’s GHG emissions. The City of Aspen fleet is predominantly made up of gasoline and diesel vehicles. By setting a goal to rapidly increase the percentage of electric vehicles in the City of Aspen fleet, the City can lead the way towards the clean vehicle transition for the community.
Require construction and demolition waste diversion In 2020, over 58% of the material buried in the Pitkin County landfill came from construction and demolition activities. Staff estimates that 79% of the construction and demolition waste received at the Pitkin County landfill is generated by construction within the City limits.

1. Enact waste diversion requirements for new construction,
2. Require deconstruction for demolition sites,
3. Require recycled or repurposed materials to be used in new construction.

Require compost diversion Analysis of the waste coming from Aspen residents and businesses in 2015 indicated almost 40% could be diverted to the compost operations at the Pitkin County Solid Waste Center. Organic material buried in the landfill is the largest contributing factor to landfill methane emissions.

1. Require food waste diversion in the commercial sector
2. Require compost collection for residents

Additional Council Questions City Council requested additional information on more specific topics, which is included below.

- Which other cities have committed to using a science-based emission reduction target? There are currently 733 cities worldwide committed to the Race to Zero, using a science-based target as their goal and 75 of those are in the United States. Twenty-seven of the cities in the U.S. are also ICLEI members, like Aspen, and have already calculated and set a target, while the others are committed to doing so, but haven’t yet set a target.
- Should Aspen consider using a consumption-based approach to measuring the community’s GHG emissions footprint compared to the current approach? At this time, staff does not recommend changing Aspen’s approach to measuring greenhouse gas emissions and is confident the current approach is in alignment with the worldwide community of practice and delivers the most useful and actionable information to staff and City Council.
- How is the City of Aspen partnering with Pitkin County to achieve sustainability? Staff from both organizations regularly partner on community-wide education campaigns, grant opportunities, and to learn from each other. Currently the City and County are working together to produce a region-wide greenhouse gas inventory, which will be presented to City Council this fall, and represents a new collaborative approach.

NEXT STEPS: This information is intended to inform City Council’s goal setting activities at the retreat. Should City Council choose to set a goal in either the area of broad climate action or more specifically in a program area, this will provide staff with direction to implement policies, mandates and codes to move Aspen more aggressively towards it’s environmental stewardship goals. If City Council is interested in setting an overarching goal that encompasses both waste reduction and the other climate action program areas (energy and transportation), staff suggests a goal related to the Race to Zero commitment. By committing to the Race to Zero, City Council can focus on reducing greenhouse gas emissions through energy reductions, fleet electrification, and waste reduction, and Aspen would be eligible for resources and support to enact these policies.

If City Council sets an environmental stewardship goal(s), staff will return with detailed plans and assessments for individual policy areas.
CITY MANAGER NOTES:


REQUEST OF COUNCIL: This work session's purpose is to introduce Council to the process of adopting the next building code and to seek input and direction on important topic areas. Building code adoption is typically a routine process, but this time there are unique opportunities that require Council input early in the process. Building codes provide life safety and are also a key element in climate action policy and land use regulation. Therefore, staff would like to identify Council's main goals related to building regulations.

This memo and staff's introductory presentation at the work session will provide a high-level discussion of the following:

1. A brief history and process overview of Aspen's implementation of the International Building Codes.
2. Outline opportunities for:
   a. Coordination of code adoption with other jurisdictions in the Roaring Fork Valley,
   b. Reduction in greenhouse gas emissions through further energy efficiencies, electrification, and by addressing embodied energy in building materials,
   c. Alignment with complementary Climate Action goals including using the Land Use Code to remove barriers to or to incentivize climate action measures.

At the conclusion of the discussion, staff will ask Council for their primary objectives for the building codes, as well as request direction on the outlined topic areas. This direction will inform staff work in the coming months preparing for the new code adoption. Depending on this response, follow-up questions related to prioritization in Community Development's workplan and required resources may be necessary.
OVERVIEW AND HISTORY OF BUILDING CODE ADOPTION:
The International Codes (I-Codes), are a body of coordinated codes adopted widely throughout the United States to ensure that the built environment is safe, accessible, sustainable, and resilient. Building codes and their enforcement provide our community with the quality construction and safety in the built environment that we all expect. This includes basic life safety components such as adequate exits, fire alarms, and carbon monoxide detectors. It also includes adequate fresh air and ventilation. Accessibility measures provide equitable facilities so that buildings can be used by everyone. Energy efficiency requirements save homeowners on their energy bills and support our climate action policy.

The codes are developed by the International Code Council (ICC), a non-profit member organization, that uses a governmental consensus process to continually improve and coordinate the codes. City staff have a history of being involved in this process and continue to provide input and vote on the codes. New building codes are released every three years, and Aspen traditionally adopts new codes every six years. This six-year adoption cycle, as opposed to a three-year cycle, allows us to stay up to date while not creating an extra burden for staff and the development community by constantly implementing new codes. Currently Aspen is on the 2015 International Codes as adopted by Council in 2016.

When adopting the standardized I-codes, jurisdictions may make local amendments. Amendments can address local environmental needs such as our requiring snow stops to prevent hazardous slow slides off roofs and requiring the highest level of fire-resistant roof assemblies to address the local wildfire risk. Aspen has also used amendments to create more stringent energy efficiency regulations. For example, our Renewable Energy Mitigation Program (REMP) requires that outdoor energy use (snowmelt, pools, and spas) is either offset with renewable energy on-site or developers can choose to make a mitigation payment that funds community energy efficiency programs through CORE.

Since the early 1990's Aspen has been a national leader in energy code development. The early REMP and efficient building programs were some of the first of their kind nationally. Stephen Kanipe has served on the code development committee for the International Energy Conservation Code that is now used nationally. Today’s energy codes establish minimum energy efficiency requirements for new construction and renovations and have resulted in reduced energy usage and cost savings across our buildings. With each edition of the Energy Code, the requirements have gotten incrementally more progressive, helping ensure new construction delivers upon climate changing emissions reductions.

The 2015 IECC residential provisions reduced energy use intensity (EUI) by 25% relative to the 2009 edition. However, much of the low hanging fruit for energy efficiency in buildings has now been achieved. As a result, the Department of Energy only expects a 4% to 5% reduction in EUI in future cycles.¹ Currently buildings account for 50% of the City’s greenhouse gas emissions and are projected to make up 60% of emissions by

2050. Improved energy codes are therefore a key component of the City’s climate action plan. Adopting the 2021 IECC will ensure that we are continuing to improve, but there is also the opportunity to go even further with local amendments as presented in the upcoming discussion.

STAFF DISCUSSION:

Coordination with Jurisdictions in the Region
Per our six-year adoption cycle, it is time to update our life safety and energy efficiency codes. This year Aspen has a unique opportunity to coordinate our adoption of the 2021 codes with other jurisdictions in the Roaring Fork Valley and Western Colorado. The Mountain Building Officials Organization is working with CORE on a regional effort to move to the 2021 I-codes together. The current consensus appears to be aiming for some time in the middle of 2022. A consultant is creating one adoption package for all the codes. Then each jurisdiction will create their own specific local amendment packages as needed. Having a consistent code adoption throughout the region benefits local designers and contractors. It will also have a greater impact on the regional climate change efforts to have the most current energy efficiency codes in play in as many jurisdictions as possible.

As staff looks to adopt the 2021 I-Codes, we would like to confirm whether Council wishes to pursue this regional approach. We will also need to determine the extent and nature of any local amendments. The following three areas have been identified as having potential for additional energy savings and greenhouse house gas reduction: net zero construction, electrification, and embodied energy. For the purposes of this work session, we will keep the discussion of these concepts at a high level. With Council’s input on primary goals and concerns, we can investigate these and other ideas further to be able to bring a more detailed analysis and a menu of options to Council at a future date.

Energy Conservation and Net Zero
The energy code has incrementally been reducing the energy use of buildings over time by regulating the efficiency of the building thermal envelope (insulation and windows), air tightness, heating and cooling equipment, and lighting. The new 2021 International Energy Conservation Code (IECC) is estimated to be roughly 9% more efficient than our currently adopted and amended 2015 IECC. Staff is investigating potential amendments to make it even more efficient while balancing feasibility. For example, our code adoption process is traditionally informed by the upcoming code edition while it is in development; in this case we will look at proposals for the 2024 I-codes as they become available.

As we look to the future, there will likely continue to be room to improve energy efficiency in buildings but there will begin to be diminishing returns for the effort. The concept of Net Zero addresses this by providing a way to offset energy use that can’t realistically be eliminated. Instead of reducing energy use to zero, the remaining energy is offset with onsite renewable energy sources such as solar photovoltaic (PV). To avoid allowing inefficient buildings to just build a larger solar array to get to net zero, a minimum threshold of building efficiency is placed as a backstop. The other side of this is that on-site
renewables would need to be installed at an increasing rate (increasing on-site solar is an example of an opportunity for improved coordination with the requirements of the Land Use Code). Below is a graphic depicting this transition over time:

![Graph showing trajectory to Net Zero energy use](image)

**Figure 1. Trajectory to Net Zero (or Zero Net Energy ZNE).** The blue bars represent energy use which is shown to decrease with each new code but to never actually reach zero. This energy use is offset by the yellow bars which represent renewable energy production such as by solar PV. Eventually, energy use (blue) shrinks enough so that the increasing renewable offset (yellow) balances it out for a Net Zero Energy use.

### Electrification

A Net Zero building still creates greenhouse gas emissions if there is fossil fuel combustion onsite. Electrification is the concept of transitioning appliances and equipment that would otherwise run on natural gas—such as boilers, water heaters, stoves, and clothes dryers—to clean and efficient electric versions using electricity sourced from a carbon-free grid. The City of Aspen Electric Utility is currently carbon free and our other electric provider, Holy Cross, has committed to being carbon free by 2030.

Any degree of electrification will require extensive coordination with City Electric and with Holy Cross to ensure appropriate and equitable rate structures (energy conservation and electrification can be at odds with each other with regard to electric demand and rate structures) and to ensure adequate capacity of the utility infrastructure to meet the increased demand. While some communities have elected to make the switch all at once (a switch which staff acknowledges is essential to addressing the climate emergency), electrification will have large impacts on the community, including on customer costs. Council could consider setting a pace of transition which will give staff direction to work with the utilities to put together a range of options.

The discussion of electrification should also include Electric Vehicle (EV) Charging. Aspen's 2015 energy code was forward thinking and already requires a percentage of on-property residential parking spaces to be installed with pre-wired EV (Electric Vehicle) charging capability. There is little room to improve this beyond increasing the percentage of parking spaces required to be EV ready, requiring on-property commercial parking spaces to be EV ready, and/or requiring the actual full charging components to be installed. Staff welcomes any input Council may have on electrification and EV-ready regulations.
Embodied Energy and Carbon
Reducing building energy consumption (net zero) and sourcing that energy from zero emission electric utilities (electrification) only addresses the energy use and emissions of a building after it has been constructed and is in operation. Looking at the full life cycle of a building shows that there are significant emissions generated from the harvesting, manufacture, and transport of building materials and then from the release of carbon at the end of a building’s useful life in the landfill.

Upfront emissions can be reduced or offset by using carbon storing materials. One example is Cross Laminated Timber (CLT). CLT panels, posts, and beams sustainably harvested from small diameter trees can replace emission heavy concrete and steel and are sized to be fire resistant which can reduce the cost of construction. The 2021 building code allows new uses for CLT construction. While construction materials are an area where gains could be made, the practicality of enforcing restrictions on building materials is unknown and appears to be fraught with complications. If council desires, staff could monitor opportunities to address embodied energy through more progressive codes and incentives.

Building demolition and construction waste are major contributors to emissions and shorten the lifespan of the Pitkin County landfill. Limiting and/or mitigating the volume and embodied energy of building materials going to the land fill will require coordination between County and City departments. With Council direction, Building and Environmental Health can coordinate how the building code and other areas of the municipal code can best meet solid waste objectives.
Coordination with Climate Action and with the Land Use Code
The combination of the Community Development and Environmental Health Departments has created new opportunities to work holistically to achieve complementary policy objectives.

Climate Action
Buildings are responsible for 58% of greenhouse gas emissions in Aspen. Between 2004 and 2017, natural gas emissions in Aspen were reduced by 3%, despite significant growth in construction. This can in part be attributed to the power of the energy code to reduce energy use. Given the Climate Action Plan goal to reduce community emissions by 80% by 2050, the building codes are an excellent opportunity to help make these reductions. Staff seeks direction on whether the energy code should be leveraged to meet Climate Action Plan goals.

Figure 2. Sources of Aspen’s Green House Gas Emissions The red slice represents emissions from commercial buildings; the blue slice represents emissions from residential buildings. Total building emissions represent greater than half of local emissions. Climate Action projects this will increase to 60% of the total by 2050.
The City and County of Denver is an example of coordinating building codes with climate action goals. They recently released the following graphic depicting their intention to have all new residential buildings be net zero by 2030. As you can see, it will require amendments to the IECC code to get there:

![Denver's Path to Net Zero Energy - Residential](image)

Figure 3. Example path to Net Zero Energy by 2030 from Denver. The orange dots represent editions of the International Energy Conservation Code (IECC). Denver is creating above code programs to stay on course for net zero by 2030 for new residential buildings. The Energy Use Y axis is the energy use (Home Energy Rating System - HERS score); 0 means net zero energy use. The 2021 IECC is estimated to be roughly 9% more efficient than the 2018. The City of Aspen’s amended version of the current 2015 IECC is slightly more efficient than the 2018 IECC.

**Land Use Code**

Another opportunity is to investigate how the Land Use Code may currently be restricting or could be changed to incentivize Climate Action goals. Here are a few ideas:

- On site renewable power generation such as solar PV,
- Passive solar building design and siting,
- Exterior insulation impact on F.A.R.,
- Equipment size and location needed for electrification,
- Incentives such as variances on specific requirements or fees in exchange for net zero/electrification.
Potential Approaches
There is a range of measures and tools that could be investigated for use on the road to reach Council’s Climate Action goals. Here are some ways to look at moving the energy code in this direction:

- **Incentive based** above code option(s) to encourage early adopters. The Land Use Code has the potential to be leveraged in this regard.
- **Building Type or Size Specific** higher code requirements for buildings over a certain size or different requirements for single family vs. multi-family homes. As an example, Boulder County requires single family homes over 5000 sq.ft. to be net zero.
- **New buildings vs. remodels and additions.** Different requirements for each type. This is different than placing requirements on existing buildings with no proposed work which Building IQ may be contemplating.
- **Amend code to be more stringent for all** than the base 2021. This could include minor amendments to ratchet up efficiency numbers or a look at the many prepackaged energy code standards between the 2021 IECC and Net Zero. The Department of Energy’s Zero Energy Ready Homes program, The Building America program, and the Passive House standard are some examples that get progressively closer to net zero.

Council should consider the timing of our adoption of the 2021 building codes. The consensus from other Roaring Fork Valley building officials is that they won’t be ready to adopt until 2nd quarter of 2022. This timeframe allows us to share resources such as trainings and consultant support with other jurisdictions. Additionally, hearings for the 2024 codes are underway, and waiting to see what changes are being made to the next edition of codes could inform amendments we wish to incorporate into our adoption. Alternately, staff could put together our own adoption package on a more accelerated timeline. This could allow Aspen to see the energy efficiency gains and other improvements in the new edition of the codes more quickly. Staff recommends that we align our adoption with the regional effort and wait until next year.

QUESTIONS FOR COUNCIL:

1) What are Council’s top concerns that we should focus on with respect to the building codes?

2) Where do we want to be relative to our sister communities? How important is alignment with other Roaring Fork Valley jurisdictions vs. forging our own exemplary path as we have done in the past? Do we want to be on a coordinated timeframe for adoption of the 2021 codes in 2022?

3) Should the building code be aligned with Climate Action Goals? Is Council interested in making changes to the Land Use Code in response to Climate Action and Building Department objectives? How far should the coordination of Building, Planning, and Climate Action objectives be taken?
4) How does Council want staff to plan for net zero, electrification, and embodied energy?

5) Building staff is prepared to lead an adoption of the 2021 I-Codes. Should Council desire greater coordination with the Land Use Code and the Climate Action Plan, additional consideration for staff time and resources is required. Based on identified priorities, how should staff prioritize this work relative to other Council goals and Community Development work program items?

FINANCIAL IMPACTS: At this time, N/A

ENVIRONMENTAL IMPACTS: At this time, N/A

ALTERNATIVES: Adopt the 2021 building codes as written

RECOMMENDATIONS: At this time, N/A

CITY MANAGER COMMENTS: N/A
MEMORANDUM

TO: Mayor and City Council
FROM: Shirley Ritter, Kids First Director
Through: Ron LeBlanc, Special Projects Manager
Diane Foster, Assistant City Manager
Sara Ott, City Manager

DATE: June 7, 2021
RE: Covid recovery & Childcare Capacity

Purpose: The purpose of this memo is to update the Council on staff activities related to childcare Covid recovery, program updates, and our focus on increasing capacity.

Summary and Background: City staff continues to reach out to other agencies and local governments in the Roaring Fork Valley to build partnerships.

Kids First staff have presented updates prior to and during Covid, and this is the most exciting time to bring you the latest updates.

With the onset of the public health crisis, public health orders at the state and county levels disrupted childcare programs. Childcare centers were ordered closed, except for the care of essential workforce children. Locally childcare centers closed to reduce the spread of the virus. Their re-opening was supported in large part by City Council approval of up to $1,000,000 from the Kids First fund to be used for emergency financial aid and childcare program support. Childcare programs also accessed PPP loans and state funds for emergency supplies. Kids First provided funds to offset reduced enrollment, rent relief, stabilize staffing, and emergency financial aid to families. Kids First has continued to help programs and families during emergency closures. In 2020 expenditures totaled $406,351, in 2021 we’ve used $18,160, leaving a balance of $575,489.

Current Condition: Unlike many other parts of the state and nation, every program in Pitkin County has remained open. Enrollment as of May 2021, across all age groups, averages 82%. This represents a steady increase since programs reopened a year ago. It is lower than previous enrollment prior to Covid – in November 2019 programs averaged 96% filled to desired capacity. Some individual childcare programs have chosen to reduce classroom size, hours, days open, or even closed a room, however the 82% is a direct comparison to maximum capacity in 2019. This may reflect lower enrollment, difficulty staffing, or other operational decisions.
Currently Pitkin County has 32 licensed infant spaces per day, 74 toddler spaces, and 409 preschool spaces. As a refresher, in 2018 the Colorado Department of Public Health and Environment (CDPHE) recorded 137 babies born to people who live in Pitkin County, in 2019 that number was 141. No data is available currently for 2020. We still clearly need more licensed infant childcare programs, most urgently for infants. Programs that serve infants are nearly full and have long wait lists. Attachment A - Colorado Children’s Campaign Pitkin Kids Count data page.

Survey Results: Staff has used Aspen Community Voice to gather information regarding the need and preferences for childcare services as we emerge from Covid restrictions. We heard from 116 people, 62% are parents of children 5 years old or younger. 36% of people responding reported planning to having, adopting, or fostering a child in the next 2 years. Of the people responding about using childcare currently, most use center-based care; however, many people are not using any type of childcare right now.

When asked their preferences 66 people preferred using a childcare center, compared with 31 preferring a nanny/babysitter, 18 using family. The biggest response when asked about barriers to childcare was lack of space for infants (64 people) followed closely by financial (55 people). Lack of space for toddlers and hours that didn’t fit my need each got 38 responses. People strongly prefer a year-round, full day schedule, and Aspen was the first choice for the preferred location.

Anecdotally, people agree that we need more childcare! They tell us that they have a very difficult time getting into a childcare program but tend to like and appreciate the care their child receives when they get a spot. Waitlists and childcare websites were noted as hard to navigate; and people recognized how difficult it can be to find qualified staff and that they are often not paid enough. Families voiced a need for childcare to be open longer hours to accommodate people who work from 8 to 5. There were some thoughts about re-inventing the system or creating a priority for working families, with examples of losing employees due to no available childcare. We heard concern about more housing being developed without consideration for the need for more childcare. There was clear understanding that childcare is essential to working parents and for the community.

- Kids First Advisory Board is responding with a letter to childcare programs, both to thank them for their efforts during Covid, and with information about the continuing recovery efforts for families.
- Kids First has continued to be in touch with regional partners working to increase childcare capacity. We are planning on a meeting with these stakeholders in early summer.
Kids First update on programming:
- Kids First in partnership with the Rocky Mountain Early Childhood Council is implementing an early literacy program called “Lena Grows” that measures conversational interactions between children and the adult in the classroom. There are 3 components:
  1. All participating children will wear a vest with a LENA device in its pocket that captures their individual language or talk experience throughout the day.
  2. Reports: The software processes the data into reports for teachers, showing talk patterns hour-by-hour and times of the day where the most interaction is happening in the classroom.
  3. Coaching Sessions: Teachers meet with a Kids First coach to review the reports and learn simple tips to increase interactive talk in the classroom. They also review Talking Tips and “Conversation Starters” to post around the classroom and share with families.

Several classrooms are in their 5th week (of 11) and we have seen progress and will share final results at a later date.

- Kids First is partnering with CMC to offer work-place learning in early childhood education. Childcare staff will be able to take required classes during their workday. It will be virtual but using a cohort model with coaching from Kids First to support the learning. Kids First will provide funding for the college course – reimbursed when successfully completed. We will provide an incentive to the staff person when the course is completed and they remain employed 6 months after completion of the class. CMC will offer ECE101 in the fall of 2021 and another ECE course in the spring of 2022. Childcare programs will arrange schedules to allow for this and pay the staff person while taking the class since it’s required. CMC will have 1.5 hours of direct teaching and the student will be responsible for 1.5 hours (each week) for assigned learning.

- Kids First has offered early childhood workshops to Aspen School District high school students this spring with strong interest. Kids First will provide CPR/1st Aid training to any student that works in a childcare program this summer. We are in the planning stages of a partnership with Aspen School District for Career and Technical Education (CTE) in early childhood education for high school seniors in the fall of 2021. This is a course that meets Colorado Academic Standards, giving the student credit and work experience. A student may also take a CMC class for no cost while in high school toward a credential in early childhood.


On the Horizon:
While we are watching federal and state funding opportunities and do expect some childcare dollars to be allocated to the Roaring Fork Valley, it is difficult to know at this
early stage how much funding will become available and for what purposes it can be used. More specifically, we are watching Federal stimulus funding, including Coronavirus Response and Relief Supplemental Appropriations (CRRSA) act funding that has been dedicated to a variety of purposes that support early childhood: circle grants to childcare programs, capacity grants to businesses increasing childcare capacity, CCAP rates and absences, early childhood mental health, and early childhood workforce supports. Most of this is expected to be distributed in FY 2021. Colorado received $119M, Attachment B – CRRSA report. The American Rescue Plan Act (ARP) also includes funding that can be used to support childcare facilities, workforce and mental health. Colorado expects to receive $530M to be used in FY 2023 and 2024. This funding includes cities and counties, for things such as capital projects. Attachment C – ARP act fact sheet. There are several state legislative changes we are following. The biggest is HB21-1304 which creates the Department of Early Childhood at the cabinet level. This new department hopes to align fractured funding streams for early childhood and will include the funding from Prop EE to fund Universal Preschool for 4-year-olds beginning in 2023. Kids First director has been part of the statewide advisory committee for this effort, providing information to state representatives and advocating for higher visibility of early childhood needs at the state level.

Discussion:

City Council has previously provided direction and funding for staff to continue the work as outlined below. Today’s discussion will provide an opportunity for City Council to update their consensus.

Expand childcare capacity in Aspen. Kids First Advisory Board is considering potential near-term and long-term solutions, including CMC, Burlingame, Aspen School District, and Lumberyard. Kids First Advisory Board is considering a focus on costs, timeline, and capacity availability on each site. City staff has contracted with bg architecture and design on completed designs for an infant classroom at CMC and is in the permit process.

There have also been discussions about the need for increased childcare capacity at Snowmass Village Town Council, and as part of the Town of Basalt Strategic Planning meetings. Staff continues to identify partnerships for a regional solution and participates in the Rocky Mountain Preschool Coalition (RMPC) to consider a regional district to support early childhood education.

Financial/Budget Impacts: As part of a comprehensive relief and recovery funding package, the City Council has appropriated funds to address these needs. The expansion of infant care capacity is consistent with past City Council directives. FY 2021 budget includes funding for planning. Staff also have been learning more about leveraging state and federal stimulus funding for childcare capital projects.
**Staff Summary:** Staff welcomes this City Council discussion and looks forward to providing this update. Staff has had City Council consensus and are open to alternative direction if council desires for continued work toward short and long-term capacity for childcare, creating partnerships and leveraging funds to meet the community need. Staff will provide updates to council as this work progresses.

Attachments:
A: Colorado Children’s Campaign Pitkin Kids Count data page
B: CRRSA report
C: ARP Act fact sheet
<table>
<thead>
<tr>
<th>POPULATION</th>
<th>PITKIN</th>
<th>COLORADO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Total Population</td>
<td>17,682</td>
<td>5,694,311</td>
</tr>
<tr>
<td>2018 Child Population (Under 18)</td>
<td>2,606</td>
<td>1,265,056</td>
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<tr>
<td>2018 Child Population as a Percentage of Total Population (Under 18)</td>
<td>14.6%</td>
<td>22.2%</td>
</tr>
<tr>
<td>2018 Young Child Population (Under 5)</td>
<td>653</td>
<td>322,468</td>
</tr>
<tr>
<td>2018 School-Aged Population (Ages 5-17)</td>
<td>1,953</td>
<td>932,588</td>
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<table>
<thead>
<tr>
<th>VULNERABLE FAMILIES</th>
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<tbody>
<tr>
<td>2018 Births to Single Women</td>
<td>19.0%</td>
<td>23.4%</td>
</tr>
<tr>
<td>2018 Births to Women without a High School Diploma or GED</td>
<td>3.7%</td>
<td>10.9%</td>
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<tr>
<td>2018 Teen Births (rate per 1,000 female teens 15-19)</td>
<td>7.1</td>
<td>13.7</td>
</tr>
<tr>
<td>2018 Three Risk Factor Births</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>2018 Out-of-Home Placements (rate per 1,000)</td>
<td>LNE</td>
<td>2.9</td>
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<table>
<thead>
<tr>
<th>FAMILY ECONOMICS AND SUPPORTS</th>
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<tbody>
<tr>
<td>Fall 2019 Children Qualifying for Free or Reduced Price Lunch</td>
<td>4.2%</td>
<td>40.7%</td>
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<tr>
<td>Fall 2019 Children Qualifying for Free Lunch</td>
<td>2.5%</td>
<td>32.6%</td>
</tr>
<tr>
<td>Fall 2019 Children Qualifying for Reduced Price Lunch</td>
<td>1.7%</td>
<td>6.1%</td>
</tr>
<tr>
<td>2018 Median Household Income</td>
<td>$89,034</td>
<td>$71,949</td>
</tr>
<tr>
<td>2018 Children (Under 18) in Poverty</td>
<td>6.2%</td>
<td>12.1%</td>
</tr>
<tr>
<td>2018 School-Aged Children (Ages 5-17) in Poverty</td>
<td>5.8%</td>
<td>11.5%</td>
</tr>
<tr>
<td>2019 Children Receiving TANF Basic Cash Assistance Payments</td>
<td>0.2%</td>
<td>4.2%</td>
</tr>
<tr>
<td>2019 Children Receiving WIC Program Vouchers</td>
<td>3.6%</td>
<td>29.2%</td>
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<tr>
<td>2017-2018 Students Served by the McKinney-Vento Homeless Ed. Program*</td>
<td>0</td>
<td>22,369</td>
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<table>
<thead>
<tr>
<th>CHILD AND MATERNAL HEALTH</th>
<th></th>
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<tbody>
<tr>
<td>2018 Live Births</td>
<td>137</td>
<td>62,874</td>
</tr>
<tr>
<td>2018 Low Weight Births</td>
<td>10.9%</td>
<td>9.4%</td>
</tr>
<tr>
<td>2018 Births to Women Who Had Early Prenatal Care</td>
<td>83.2%</td>
<td>82.1%</td>
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<tr>
<td>2018 Births to Women Smoking During Pregnancy</td>
<td>LNE</td>
<td>5.9%</td>
</tr>
<tr>
<td>2018 Child Abuse and Neglect (rate per 1,000)</td>
<td>11</td>
<td>9.5</td>
</tr>
<tr>
<td>2018 Infant Mortality (rate per 1,000)</td>
<td>LNE</td>
<td>4.7</td>
</tr>
<tr>
<td>2018 Child (Ages 1-14) Deaths (rate per 100,000)</td>
<td>LNE</td>
<td>17.9</td>
</tr>
<tr>
<td>2018 Teen (Ages 15-19) Deaths (rate per 100,000)</td>
<td>LNE</td>
<td>52.6</td>
</tr>
<tr>
<td>2018 Child (Ages 1-14) Injury Deaths (rate per 100,000)</td>
<td>LNE</td>
<td>9.2</td>
</tr>
<tr>
<td>2018 Teen (Ages 15-19) Injury Deaths (rate per 100,000)</td>
<td>LNE</td>
<td>44.9</td>
</tr>
<tr>
<td>FY 18-19 Children (Ages 0-18) Enrolled in CHIP+</td>
<td>6.2%</td>
<td>7.4%</td>
</tr>
<tr>
<td>FY 18-19 Children (Ages 0-18) Enrolled in Medicaid</td>
<td>16.0%</td>
<td>42.7%</td>
</tr>
<tr>
<td>2017 Uninsured Children (SAHIE)*</td>
<td>10.4%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2018 Children Eligible for Medicaid, CHIP+ or Subsidies but Not Enrolled</td>
<td>19.7%</td>
<td>6.6%</td>
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<table>
<thead>
<tr>
<th>EDUCATION</th>
<th></th>
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<tbody>
<tr>
<td>Fall 2019 PK-12 Pupil Enrollment</td>
<td>1,653</td>
<td>912,223</td>
</tr>
<tr>
<td>Fall 2019 Kindergarteners in a Full-Day Program</td>
<td>100.0%</td>
<td>96.8%</td>
</tr>
<tr>
<td>Fall 2019 English Language Learners</td>
<td>5.7%</td>
<td>13.5%</td>
</tr>
<tr>
<td>2018-2019 High School Graduation Rate</td>
<td>94.1%</td>
<td>91.1%</td>
</tr>
<tr>
<td>2019 4th Grade Students Meeting or Exceeding Expectations in English Language Arts</td>
<td>49.6%</td>
<td>48.0%</td>
</tr>
<tr>
<td>2019 Students Meeting or Exceeding Expectations on CMAS Math</td>
<td>38.2%</td>
<td>34.7%</td>
</tr>
<tr>
<td>2019 Students Meeting or Exceeding Expectations on CMAS English Language Arts</td>
<td>55.7%</td>
<td>45.8%</td>
</tr>
<tr>
<td>2019 Students Meeting or Exceeding Expectations on CMAS Science</td>
<td>39.4%</td>
<td>30.7%</td>
</tr>
</tbody>
</table>

*Data included for these indicators are repeated from the 2019 KIDS COUNT report because updated data were not available before the 2020 KIDS COUNT print date.

February 24, 2021

Ellen Wheatley, Acting Director
Office of Child Care
Administration for Children & Families
U.S. Department of Health and Human Services
Mary E. Switzer Building, Fourth Floor, MS 4425
330 C Street, SW
Washington, DC 20201

Dear Director Wheatley:

As the Lead Agency for the state of Colorado, we are pleased to submit the following plan for the use of the Child Care and Development Funds (CCDF), as appropriated through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. Colorado’s proposal aims to support the economic recovery of the State, stabilize the child care sector through a diverse set of strategies that address direct financial support for all child care providers, strengthen provider supports through the subsidy program, enable families to better afford child care and reinvigorate the child care sector through enhanced professional development opportunities, as well as through early childhood workforce and community innovation grants.

Direct Child Care Services (Subsidies)

The Department is planning on using CRRSA funds to support the direct child care services to families enrolled through the Colorado Child Care Assistance Program (CCCAP, the state’s CCDF subsidy program) by permanently lowering parent fees for families enrolled through CCCAP, as well as temporarily covering additional paid absences and increasing provider reimbursement rates for all CCCAP providers to support the cost of providing child care, including costs associated with the pandemic.

Affordable Family Co-pays: Funds will be used to lower the cost of child care for the majority of families enrolled in CCCAP by lowering parent fees through a marginal rate approach that more slowly increases commensurate with income. Lowering costs for low-income parents stabilizes these families, allowing them to keep more money in their pockets, while ensuring equal access to quality child care options.

Increased Provider Rates and Paid Absences: Funds will be used to increase economic support to providers that accept CCCAP children through an increased number of paid absences and increased provider reimbursement rates to reflect the higher cost of care due to COVID-related closures, absences, or lower group sizes, particularly for infant and toddler providers.

Implementation of Virus Mitigation Policies and Practices

In addition to the above strategies that support the costs providers have incurred due to the pandemic, the Department is proposing sustainability grants (described below) that will allow providers within the subsidy program, as well as those outside of the subsidy program, to better address the impact of the pandemic. The Department will continue to provide technical assistance through its Child Care Licensing Unit, in partnership with the Colorado Department of Public Health and Environment. Some funding will be used to shore up technical resources within Child Care Licensing as well as through our statewide Early Childhood Council network to improve the Department’s response to and support of child care providers.

Grants or Assistance (Other than Subsidies) to Stabilize Child Care Providers

The Department plans on utilizing funds to support several grant programs that benefit the entire sector, inclusive of all child care providers as well as those participating in CCCAP. Details on the proposed programs are below:
Enhanced Professional Development opportunities for the ECE Workforce: Funds will be used to support workforce recruitment and retention strategies in partnership with the Department of Higher Education and the Department of Labor and Employment, to rebuild the early childhood workforce following the COVID-19 pandemic by:

- Allowing any Coloradan to take the minimum coursework required to be a licensed educator (ECE 101 and 103) through the community college system for free;
- Increasing funding for proven recruitment and retention programs, including scholarships to pay for ongoing higher education tuition, apprenticeships for work-based learning, loan forgiveness, and bonuses to reward increased professional development;
- Offering wrap-around peer mentorship to retain educators and streamlining pathways into the early childhood workforce; and
- Providing free online training to attain Director qualifications.

Enhanced Child Care Resource and Referral and Inclusivity: Funding will be provided to Early Childhood Councils to improve child care resource and referral, expand inclusive care environments and expand support for families seeking access to high-quality providers. Activities will include:

- Conduct outreach and report real-time availability of child care slot openings through stronger resource and referral services and grow the licensed provider population, with an emphasis on infant and toddler care;
- Support a mixed-delivery system and strong child care business practices through family child care home navigators; and
- Provide training and grants for inclusive and universally designed environments for children with developmental delays, disabilities, and special needs.

Expanded Early Childhood and Provider Mental Health consultation: Funds will be used to expand the Department’s Early Childhood Mental Health program to respond to the mental health needs of children and child care providers impacted by COVID-19 by addressing trauma, grief, loss, emotional distress, and fostering healthy adult-child relationships. While the strategy is limited to supporting children and child care providers within the child care setting through the pandemic, ECMH support aims to build the long-term capacity of early childhood professionals, directors, programs, and systems to prevent, identify, treat and reduce the impact of mental health problems among children from birth to age six and their families.

Assistance to Providers Not Participating in the Subsidy System Prior to the Pandemic

In addition to the grant programs listed above, which are available to all CCDF-eligible providers, the Department is offering competitive grants to communities to directly address issues related to child care affordability, access to child care to support parent choice and sustainable business practices at the local level.

Sustainability Grants for Workforce Retention: Funds will be used to supply grants to all eligible early childhood providers to remain open and recover from the COVID-19 pandemic, with an emphasis on early childhood educator workforce retention. For these grants, providers outline their funding needs and choose from a menu of workforce retention options, such as hazard pay, maintaining hours for employees, paying for benefits, etc. These grants also include bonus amounts for certain criteria, including operating in a child care desert and serving infants and toddlers.

Community Innovation Grants: Funds will be used to support competitive community innovation grants to address systemic challenges for early care and learning providers across the State that have been worsened as a result of the economic, social, and health impacts of COVID-19. The Department will provide grants to CCDF-eligible providers and community-based organizations, such as Early Childhood Councils, to identify and implement transformational solutions to one of the identified focus areas:

- Child Care Affordability: Lowering costs to vulnerable families seeking child care that are not currently being served through subsidy programs (e.g. sliding scale solutions, tuition subsidies or scholarships, developing public-private partnerships; employer-based cost sharing, etc.);
- Infant and Toddler Care: Increasing access to infant and toddler care;
- Sustainable Business Practices: Providing child care providers with business practices that ensure long-term sustainability (e.g., shared services models, trainings); and/or
Equitable Access to Care: Supporting access to affordable care for children with special needs or other risk factors.

Other

At this time, no other uses of the funds are planned. The Department will use a small portion of the CCDF CRRSA funds to support the administration and evaluation of the listed programs and strategies.

On behalf of the Colorado Department of Human Services and the State of Colorado, I want to thank you for the opportunity to support our early childhood educators and providers and the families and children of our state.

Sincerely,

/s/

Michelle Barnes
Executive Director
Colorado Department of Human Services
March 18, 2021

FACT SHEET: The American Rescue Plan Will Deliver Immediate Economic Relief to Families

The current public health crisis and resulting economic crisis have devastated the health and economic wellbeing of millions of Americans. From big cities to small towns, Americans – particularly people of color, immigrants, and low-wage workers – are facing a deep economic crisis. More than 9.5 million workers have lost their jobs in the wake of the pandemic, with 4 million out of work for half a year or longer.

The American Rescue Plan will change the course of the pandemic and deliver immediate and direct relief to families and workers impacted by the COVID-19 crisis through no fault of their own. This law is one of the most progressive pieces of legislation in history, and will build a bridge to an equitable economic recovery.

Economic Impact Payments

Through this third round of Economic Impact Payments, the U.S. Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) are ensuring that Americans will receive fast and direct relief during the final phase of the COVID-19 crisis. As of yesterday, approximately 90 million Economic Impact Payments had been disbursed, thereby ensuring that more than $242 billion of much-needed relief will be received by millions of Americans and their families within days of enactment of the American Rescue Plan. Unlike the prior rounds of Economic Impact Payments, the American Rescue Plan requires a 2021 “true-up” additional payment, when applicable, based on information (such as a recently filed 2020 tax return) that the IRS receives mid-year during 2021. This additional Economic Impact Payment will ensure that Americans and their families receive greater amounts of financial assistance during 2021, rather than waiting to claim a Recovery Rebate Credit on a tax return in 2022.

Those eligible will automatically receive an Economic Impact Payment of up to $1,400 for individuals or $2,800 for married couples, plus $1,400 for each dependent. Unlike the prior rounds of Economic Impact Payments, families will get a payment for all their dependents claimed on a tax return, not just their qualifying children under 17.

Normally, a taxpayer will qualify for the full amount if they have an adjusted gross income of up to $75,000 for singles and married persons filing a separate return, up to $112,500 for heads of household, and up to $150,000 for married couples filing joint returns and surviving spouses. Payment amounts are reduced for filers with incomes above those levels.

The Treasury Department and the IRS continue to expand outreach to the millions of homeless, rural poor, and other disadvantaged Americans to ensure that they receive Economic Impact Payments. This includes new and continued relationships with homeless shelters, legal aid clinics, and providing Economic Impact Payment information in more than 35 languages.
Child Tax Credit

The American Rescue Plan’s expansion of the Child Tax Credit will substantially reduce child poverty by supplementing the earnings of families receiving the tax credit. Specifically, the Child Tax Credit has been revised in the following ways:

1. **The credit amount has been increased.** The American Rescue Plan increased the amount of the Child Tax Credit from $2,000 to $3,600 for children under age 6, and $3,000 for other children under age 18.

2. **The credit’s scope has been expanded.** Children 17 years old and younger, as opposed to 16 years old and younger, will now be covered by the Child Tax Credit.

3. **Credit amounts will be made through advance payments during 2021.** Individuals eligible for a 2021 Child Tax Credit will receive advance payments of the individual’s credit, which the IRS and the Bureau of the Fiscal Service will make through periodic payments from July 1, to December 31, 2021. This change will allow struggling families to receive financial assistance now, rather than waiting until the 2022 tax filing season to receive the Child Tax Credit benefit.

4. **The credit is now fully refundable.** By making the Child Tax Credit fully refundable, low-income households will be entitled to receive the full credit benefit, as significantly expanded and increased by the American Rescue Plan.

5. **The credit is now extended to Puerto Rico and the U.S. Territories.** For the first time, low-income families residing in Puerto Rico and the U.S. Territories will receive this vital financial assistance to better support their children’s development and health and educational attainment.

To facilitate the disbursement of Child Tax Credit advance payments during 2021, the American Rescue Plan requires the IRS to establish an online portal for taxpayers to update relevant data for mid-year payment adjustments (for example, the birth of a child during 2021). In addition to this online tool, the Treasury Department and the IRS will carry out a sweeping public awareness campaign parallel to its Economic Impact Payment campaign to reach all Americans who may be eligible for this financial assistance.

State and Local Fiscal Recovery Fund

State, local and tribal governments across America have been under an unprecedented strain in the wake of the COVID-19 crisis. While the need for services has increased—including setting up emergency medical facilities, standing up vaccination sites, and supporting struggling small businesses—state and local revenues have plummeted as a result of the economic fallout from the crisis. At the height of the fallout, public sector employment fell by around 1.4 million jobs, including layoffs of 1 million educators, compared to around 750,000 job losses during the Great Recession. As a result, communities have faced untenable choices, between laying off educators, firefighters and other frontline workers, or failing to provide services that communities rely on.
The American Rescue Plan provides $350 billion dollars in emergency funding for state, local, territorial, and Tribal governments to remedy this mismatch between rising costs and falling revenues. This includes:

- $195 billion for states, (a minimum of $500 million for each State);
- $130 billion for local governments (a minimum of $1.25 billion per state is provided by the statute inclusive of the amounts allocated to local governments within the state);
- $20 billion for tribal governments; and
- $4.5 billion for territories

The Rescue Plan will provide needed relief to state, local, and Tribal governments to enable them to continue to support the public health response and lay the foundation for a strong and equitable economic recovery. In addition to helping these governments address the revenue losses they have experienced as a result of the crisis, it will help them cover the costs incurred due responding to the public health emergency and provide support for a recovery – including through assistance to households, small businesses and nonprofits, aid to impacted industries, and support for essential workers. It will also provide resources for state, local, and Tribal governments to invest in infrastructure, including water, sewer, and broadband services.

**Capital Projects Fund**

The COVID-19 crisis starkly illuminated key shortcomings – and inequalities – in U.S. infrastructure. While some communities were able to adapt to the pandemic with remote or socially-distanced options for work, education, and health care, others lacked the infrastructure needed to do so, compounding the disruptions of the pandemic and exacerbating existing inequalities, with long-term consequences for American families. One particularly salient infrastructure challenge has been the digital divide and the absence of foundational conditions that enable network connectivity and access. As more and more areas of work and education move online, this divide risks leaving many American families behind.

Recognizing these challenges, the American Rescue Plan provides $10 billion for states, territories, and Tribes to cover the costs of capital projects like broadband infrastructure.

The Capital Projects Fund takes critical steps to addressing these challenges laid bare by the pandemic, especially in rural America and low- and moderate-income communities, helping to ensure that all communities have access to the high-quality, modern infrastructure needed to thrive, including internet access.

**Homeowner Assistance Fund**

As the economic fallout from the COVID-19 crisis took form, millions of Americans were faced with the pressures of having to decide between making mortgage payments and other essential obligations. This was especially true for the low-income communities and communities of color who bore the brunt of this crisis. Across the country, one in 10 homeowners with a mortgage are behind on payments. The law takes immediate steps to help Americans stay in their homes and keep a roof over their heads.

The American Rescue Plan provides nearly $10 billion for states, territories, and Tribes to provide relief for our country’s most vulnerable homeowners. This includes:

- A minimum of $50 million for each state, the District of Columbia and Puerto Rico;
• $30 million for the territories of Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands;
• An explicit mandate to prioritize socially disadvantaged households;

The law prioritizes those homeowners that have experienced the greatest hardships, leveraging local and national income indicators to maximize intended impact. Applicable funding uses include delinquent mortgage payments, allowing Americans across the country to take a step in the right direction toward household stabilization. These necessary actions will minimize foreclosures in the coming months, alleviate emergency shelter capacity, and mitigate potential COVID-19 infections.

Emergency Rental Assistance

An underlying consequence of the COVID-19 pandemic is that household stability is not just a financial security issue, but also a health concern. As the country entered the throes of the crisis, many cities and states began creating or expanding rental assistance programs to support at-risk households. The December appropriations bill provided $25 billion of federal relief to be administered by the Emergency Rental Assistance (ERA) program for disbursement to existing state and local government programs. The American Rescue Plan nearly doubles the initial funding to expand the reach and impact of the existing ERA program, taking additional steps to mitigate the financial harm caused by the pandemic and keeping Americans safe as the country addresses the virus.

The American Rescue Plan provides $21.6 billion for states, territories, and local governments to assist households that are unable to pay rent and utilities due to the COVID-19 crisis. This includes:

• A minimum of $152 million for each state and the District of Columbia;
• $305 million for the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa;
• $2.5 billion for payments to “high-need grantees,” locations with an urgent need for assistance when factoring conditions such as change in employment, concentration of very low-income renters, and rental market costs

As a result of the American Rescue Plan, states and localities across the country will be better armed to provide relief and assistance to those vulnerable households. The new funding will leverage existing program structures, allowing for money to be disbursed quickly and efficiently to on the ground emergency programs, and ensuring this country’s hardest-hit families to receive their equitable share of relief.

State Small Business Credit Initiative

It is no secret that the pandemic has disproportionately impacted small businesses across the country, particularly those owned and operated by women and minorities. Every community has had to face the unfortunate reality of local storefronts that are closing or have closed, resulting in friends and family members being furloughed or laid off. Nationally, small business revenue is down 32 percent, and at least 400,000 firms have permanently closed. After a year of the public health crisis, many businesses are hanging on by a thread. Within this law are plans to provide critical assistance to small businesses across the country, facilitating the urgent deployment of capital and support to help these organizations not just persevere, but recover on solid footing.

The American Rescue Plan provides $10 billion to state and Tribal governments to fund small business credit expansion initiatives. This program will build on the inaugural model developed in 2011 during the
Obama-Biden Administration, in which nearly $1.5 billion in capital supported over $8 billion in new lending and investing activity across 142 different programs in its first 5 years. The new iteration will expand in scale and include:

- $1.5 billion for states to support businesses owned by socially and economically disadvantaged people;
- $1 billion for an incentive program to boost funding tranches for states that show robust support for such businesses; and
- $500 million to support very small businesses with fewer than 10 employees;

This law will inject capital into state small business support and capital access programs, provide collateral support, facilitate loan participation, and enable credit guarantee programs. It will boost state venture capital programs and provide funding for technical support and assistance. This Administration recognizes that small businesses—enterprises that are responsible for two-thirds of net new jobs in this country—are the backbone of the American economy, and a bellwether of economic progress.

**Employee Retention Credit and Paid Leave Credit Programs**

In addition to the SSBCI, the American Rescue Plan extends a number of critical tax benefits to small businesses that are intended to help businesses through to the recovery while keeping up their payrolls and still taking steps to protect health outcomes for employees.

The American Rescue Plan extends the availability of the Employee Retention Credit for small businesses through December 2021 and allows businesses to offset their current payroll tax liabilities by up to $7,000 per employee per quarter. This credit of up to $28,000 per employee for 2021 is available to small businesses who have seen their revenues decline, or even been temporarily shuttered, due to COVID.

The American Rescue Plan also extends through September 2021 the availability of Paid Leave Credits for small and midsize businesses that offer paid leave to employees who may take leave due to illness, quarantine, or caregiving. Businesses can take dollar-for-dollar tax credits equal to wages of up to $5,000 if they offer paid leave to employees who are sick or quarantining. Paid Leave Credits are a powerful incentive to encourage the offer of paid sick and family leave, which will help keep the virus under control by ensuring sick employees can stay home.

**Unemployment Compensation**

Across the nation, millions of Americans lost their jobs in the wake of the COVID-19 pandemic and, as a result, claimed unemployment benefits. The American Rescue Plan waives federal income taxes on the first $10,200 of unemployment benefits received in 2020 by middle- and lower-income taxpayers. The tax relief extends to both workers who received benefits through federal unemployment programs as well as those who received traditional benefits through their state unemployment insurance fund. This law will provide tax relief for Americans who lost their jobs and utilized unemployment benefits last year—allowing millions of workers to focus their benefits on covering essentials during the COVID-19 pandemic.
REQUEST OF COUNCIL:
This Work Session continues previous discussions with Council on topics related to Growth Management, Affordable Housing mitigation, and the Land Use Code (LUC). Council provided previous direction to present possible Land Use Code amendments related to Single-Family and Duplex affordable housing mitigation and Multi-Family Replacement in response to Aspen’s current development context and in support of Council’s Affordable Housing Goals. Staff and Consultants from Design Workshop will present analysis and request direction from Council on several questions related to these two topics.

By the conclusion of this evening’s work session, staff requests Council direction on the following questions:

**Single Family and Duplex Development:**
1) Does Council support Elimination or Modification of the Credit for Existing Floor Area?
2) Does Council support Elimination or Modification of the Sub-Grade (basement) Exemption in the calculation of Affordable Housing mitigation?

**Multi-Family Replacement Requirements:**
1) Does Council desire to facilitate the redevelopment of aging multi-family properties? A) To allow for the upgrade or replacement of buildings that are reaching the end of their lifespan? and/or B) To encourage the creation of required on-site affordable housing?

If the answer to Question #1 is yes, to any degree:
2) Does Council desire for staff to propose density changes for multi-family development in the RMF, R-6, and Lodge Zone Districts – where existing multi-family properties are primarily located? If so, does Council prefer that staff present proposed changes as a stand-alone response to multi-family replacement OR as an element of a comprehensive analysis of Part 700 (Zone Districts) in search of other opportunities in the promotion of affordable housing within the zoning regulations?

3) Does Council desire for staff to propose changes to the multi-family replacement requirements in GMQS, particularly related to the requirement of replacing the same number of units and net livable area and bedrooms?

4) Does Council desire for staff to propose changes for the on-site affordable housing requirements for additional Free Market units (particularly the requirement for both Floor Area and Units) in redevelopment scenarios?

A general question:

5) What are Council’s views on the importance of RO (Resident Occupied as opposed to Category units) within the affordable housing inventory?

Finally, staff suggests Council consider these questions, and other tangential issues related to affordable housing, growth management, and development trends in Aspen in advance of goal setting at the Council Retreat later this month.

**SUMMARY AND BACKGROUND:** As part of an ongoing effort to better coordinate the Land Use Code in support of Council’s Affordable Housing Goals and in relationship to discussions with Council about the effectiveness of Aspen’s Growth Management Quota System in responding to the current development context, staff has continued to study and analyze a range of related topics. This Work Session focuses on potential responses in two specific areas: Single-family and Duplex AH mitigation and Multi-Family Replacement.

In thinking about these issues in general, staff has been guided by the following assumptions:

1) While groundbreaking and successful over time, Aspen’s Land Use Code and Growth Management System does not respond to many realities within the current development context. The best evidence of this is the underutilization of the development allotments that are at the heart of the GMQS system – and the community sentiment that we are very much experiencing "growth" pressures – and the lack of new FTEs being created by the private sector as a result of commercial and lodge development.
2) Aspen’s Growth Management system and Affordable Housing mitigation requirements have always been directly connected and understood together. The system relies on development to create affordable housing to mitigate its impacts to the local housing stock by creating new FTEs which require housing to be delivered to the community. As prominent development types have evolved, this direct connection has been diminished to some degree in that the development that is taking place is no longer providing the affordable housing that the system depends on and the community expects.

3) Affordable Housing that allows for a year-round, vibrant community and provides essential accommodation for the work force that keeps Aspen functioning, remains Aspen’s most pressing challenge. This has become even more true as housing affordability and availability have become an issue throughout the Roaring Fork and Colorado River Valley communities that have historically provided housing options for Aspen’s work force.

4) Aspen has for many years been an extreme example of real estate values, and construction and land costs. Additionally, over time, Aspen has become a real estate market dominated by vacation accommodations and unoccupied homes within our residential uses and zone districts. These trends have been true for many years but as the recently released Mountain Migration Report (Northwest Colorado Council of Governments, 2021) confirms, the last 18 months have witnessed a fully new scale. These new market dynamics have added additional complexity (which we do not yet fully understand) and importance to these efforts.

In May of 2021, Council passed four Ordinances that were the first steps in responding to these issues. Most importantly, a new Fee-in-Lieu was adopted, reflecting actual development costs of affordable housing. Other improvements were made to the Affordable Housing Credits Program (additional incentives, alignment with APCHA, improved clarity) and to the GMQS chapter of the Land Use Code (Lodge mitigation requirements, improved clarity). Following passage of these changes, staff was given clear direction to keep moving forward on the larger topics of Growth Management and Affordable Housing.

Work Session Agenda
In the discussion this evening, Staff will present two distinct analyses with a separate set of questions for Council related to each. Based on the feedback from Council, staff is prepared to return to Council in the coming weeks with proposed amendments to the Land Use Code. Additionally, Council direction will inform the next step in the AH-LUC coordination process and the possibility of Council developing a specific goal in their upcoming retreat around these topics.

First, staff will present potential changes to the way that single-family and duplex residential development provides AH mitigation. This discussion is in response to previous Council direction to present possible amendments in this area and will give focus
to the current credit that is provided for existing floor area and the exemption that is granted for sub-grade (basement) areas in the calculation of AH mitigation.

Second, Jessica Garrow and Eric Krohngold from Design Workshop (DW) will present the findings of their study on Multi-Family Replacement (MFR) requirements. DW was contracted to conduct redevelopment scenarios of existing multi-family properties through the lens of our current MFR requirements. Their analysis raises several questions that will require feedback and direction from Council.

STAFF DISCUSSION:

**Single-Family and Duplex Development Affordable Housing Mitigation**

Two different AH mitigation calculations apply when the Land Use Code refers to Residential Development. First, and not part of the discussion in this work session, applies when a subdivision with multiple lots are created, a change of use takes place, or a new multi-family project is developed. These types of projects require the assignment of Growth Management Allotments and require that 30% of the project’s Floor Area (and 60 or 70% of the project’s units) be some balance of deed restricted affordable housing. This requirement could also be called inclusionary zoning in the broader planning world’s terminology. These projects require a Planning and Zoning review in the final determination of the mitigation requirements.

The second calculation is typically assessed during the building permit review process. Today, this calculation is much more common than the scenario above. These projects take place on existing residential lots – either as new construction or the redevelopment of an existing home or homes. Different from the above scenario, the mitigation here has been understood as a much more direct impact fee, rather than a form of inclusionary zoning – calculating employee generation on a per square foot basis. No development Growth Management Allotments are required. When a new home is built or square footage is added to an existing home, a 2015 Employee Generation Study established the following mitigation requirements:

\[
\begin{align*}
.16 \text{ FTE per 1,000 square feet of Floor Area up to 4,500 sf.} \\
.36 \text{ FTE per 1,000 square feet of Floor Area over } > 4,500 \text{ sf.}
\end{align*}
\]

Per the study, these figures were derived from an estimate of the full-time employees generated during the construction and life span of the property. For example, a new home, on a previously vacant lot, with a Floor Area of 5,500 square feet as measured per the LUC would have the following mitigation requirements:

\[
\begin{align*}
4,500 / 1000 &= 4.5 \times .16 = .72 \text{ FTE} \\
1000 / 1000 &= 1 \times .36 = .36 \text{ FTE} \\
.72 + .36 &= 1.08 \text{ FTE}
\end{align*}
\]
While Floor Area is a complex calculation, the discussion in this Work Session focuses on two specific areas for consideration of change:

**Existing Floor Area Credit**
In redevelopment scenarios, the current code allows for the Floor Area of the existing home to be credited against the Floor Area for the new home. Additionally, in situations where a significant remodel is contemplated, only new, additional floor area is calculated. In both cases, the exemption of the existing floor area is credited, regardless of whether mitigation was ever assessed on the property.

<table>
<thead>
<tr>
<th><strong>Current Code - with credit for existing Floor Area</strong></th>
<th><strong>Proposed Change - elimination of credit</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>![Existing home = 2000 square feet]</td>
<td>Existing home = 2000 square feet</td>
</tr>
<tr>
<td>![Existing home demolished]</td>
<td>Existing home demolished</td>
</tr>
<tr>
<td>![New home = 3000 square feet]</td>
<td>New home = 3000 square feet</td>
</tr>
<tr>
<td>3000 - 2000 = <strong>1000 square feet</strong> of new floor area</td>
<td></td>
</tr>
<tr>
<td>.16 FTE per 1000 square feet</td>
<td></td>
</tr>
<tr>
<td><strong>.16 FTE</strong> of required Affordable Housing mitigation</td>
<td></td>
</tr>
<tr>
<td>.16 x $376,475 (Cat. 2 FII) = <strong>$60,236</strong></td>
<td></td>
</tr>
<tr>
<td>3000 square feet of new floor area</td>
<td></td>
</tr>
<tr>
<td>.16 FTE per 1000 square feet</td>
<td></td>
</tr>
<tr>
<td><strong>.48 FTE</strong> of required Affordable Housing mitigation</td>
<td></td>
</tr>
<tr>
<td>.48 x $376,475 (Cat. 2 FII) = <strong>$180,708</strong></td>
<td></td>
</tr>
</tbody>
</table>

![Figure 1: Comparison of a redevelopment project’s mitigation requirements – with and without the credit for existing floor area. The existing credit reduced the required mitigation by .32 FTE.](image)

AH mitigation for new residential development became a requirement in the mid-1980s. Depending on the circumstance and the code requirements in effect at the time of the project, on-site units, off-site units, fee-in-lieu, and accessory dwelling units have all been used in meeting mitigation requirements. Because of the change in code requirements over time and the variability of development history on residential properties, simply providing the credit was previously argued as a fair and straightforward response to this issue.

Since 2015, approximately 325,000 square feet of existing floor area has been credited in redevelopment and major renovation scenarios. If not credited, the square footage would conservatively translate into 52 FTEs. It is also important to note that a similar credit for existing Floor Area for commercial redevelopment was eliminated from the LUC in a 2017 Amendment and the credit for existing Lodge units was recently eliminated by Ordinance No. 13, Series of 2021.
Sub-Grade (Basement) Exemption

Under current code Sub-Grade areas are effectively exempt from the contribution to both Allowable Floor Area and Affordable Housing Mitigation. In essence a calculation is made based the percentage of exposed wall area and applied to the gross floor area. As a consequence, unless a project purposely exposes a large percentage of the basement to the surface for light wells or other features or the property is on a slope that naturally exposes the basement, the vast majority of the gross floor area of basements is exempt.

In the 2015 Employee Generation Study, sub-grade areas were discussed as having impacts – but it was determined these areas should remain exempt in consistency with the calculations for Allowable Floor Area in limiting the mass and scale of a house.

<table>
<thead>
<tr>
<th>Current Code - with sub-grade exemption</th>
<th>Proposed Change - elimination of sub-grade exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="current_code.png" alt="Image" /></td>
<td><img src="proposed_change.png" alt="Image" /></td>
</tr>
<tr>
<td>3000 square feet of above grade floor area</td>
<td>6,000 square feet of total floor area</td>
</tr>
<tr>
<td>3000 square feet of exempt subgrade floor area</td>
<td></td>
</tr>
</tbody>
</table>

**3000 square feet of new floor area**

0.16 FTE per 1000 square feet of floor area

0.48 FTE of required Affordable Housing mitigation

0.48 x $376,475 (Cat. 2 FIL) = $180,708

**6000 square feet of new floor area**

0.16 FTE per 1000 sf (0 - 4500 sf)

0.36 FTE per 1000 sf (> 4500 sf)

1.26 FTE of required Affordable Housing mitigation

1.26 x $376,475 (Cat. 2 FIL) = $474,358

**Figure 2:** Comparison showing the impacts to AH mitigation created by the Sub-Grade Exemption. In this example the exemption reduces the mitigation requirements by 0.78 FTE.

Staff does not have a calculation to summarize the total amount of sub-grade area that has been exempted from mitigation over time, but the combination of real estate values on a square foot basis and the exemption of basements from Allowable Floor Area calculations has given significant incentive to maximize the size of these spaces. At this time, staff is proposing to include this area in AH mitigation requirements but is not proposing to limit these areas in relationship to calculation for Allowable Floor Area.
Staff recognizes the scale of impact that these two changes would have on the current mitigation requirements for single-family and duplex development and re-development. In evaluating these potential impacts, staff analyzed six recent redevelopment projects. Of the six, only one (Project 3) is an outlier due to the size of the sub-grade area and the fact that it is technically two, detached dwellings. The others are representative of typical, single-family projects.

**What would these changes accomplish?**
Staff believes the changes requested by Council would be an effective response to Council and community concerns about affordable housing requirements for residential development and may generate the following outcomes:

1. A more fully responsive mechanism to mitigate for the development activity that is most shaping Aspen’s current “growth” context. This includes the continuing trend of increased demand and valuation of single-family and duplex homes, the scale and pace of scrape and replace redevelopment, and the growing role of Short-Term Rentals across our residential zone districts.

2. Assess a mitigation requirement for development that is clearly generating new demand for employees.

3. Create a more equitable mitigation requirement across different types of development – Commercial, Lodge, Residential.

4. Create additional demand within the Affordable Housing Credits program by increasing mitigation requirements which may be met through the purchase of credits from the market.
The table shows that each project is different in how these changes would impact the eventual mitigation requirement. Some project financial pro formas would be impacted more significantly than others based on the size of the new home’s subgrade area or the size of the existing home (and credit for Floor Area) in relationship to the size of the new home.

Table 1: Examples of recent, actual single-family development projects depicting the mitigation requirements under current code and the impacts of eliminating the credit for existing floor area and subgrade exemption.

<table>
<thead>
<tr>
<th></th>
<th>EXISTING FLOOR AREA (SF)</th>
<th>NEW FLOOR AREA (SF)</th>
<th>TOTAL GROSS (SF)</th>
<th>BASEMENT GROSS (SF)</th>
<th>BASEMENT FLOOR AREA (SF)</th>
<th>MITIGATION CURRENT CODE (FTE AND FIL)</th>
<th>MITIGATION W/O CREDIT FOR EXISTING FA (FTE AND FIL)</th>
<th>MITIGATION W/O BASEMENT EXEMPTION (FTE AND FIL)</th>
<th>MITIGATION W/O CREDIT FOR BOTH EXISTING AND BASEMENT EXEMPTION (FTE AND FIL)</th>
<th>DIFFERENCE BETWEEN CURRENT CODE AND REMOVING BOTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROJECT 1</td>
<td>3,072</td>
<td>5,314</td>
<td>8,797</td>
<td>2,563</td>
<td>12</td>
<td>.52 $196K</td>
<td>.85 $320K</td>
<td>1.77 $666K</td>
<td>2.26 $851K</td>
<td>1.74 $655K</td>
</tr>
<tr>
<td>PROJECT 2</td>
<td>4,026</td>
<td>3,237</td>
<td>4,770</td>
<td>1,596</td>
<td>62</td>
<td>0 $0</td>
<td>.52 $196K</td>
<td>.21 $79K</td>
<td>.73 $275K</td>
<td>.73 $275K</td>
</tr>
<tr>
<td>PROJECT 3</td>
<td>0</td>
<td>6,240</td>
<td>17,277</td>
<td>9,846</td>
<td>396</td>
<td>1.62 $610K</td>
<td>1.62 $610K</td>
<td>5.04 $1.9M</td>
<td>5.04 $1.9M</td>
<td>3.42 $1.3M</td>
</tr>
<tr>
<td>PROJECT 4</td>
<td>4,300</td>
<td>4,345</td>
<td>5,897</td>
<td>1,905</td>
<td>553</td>
<td>.01 $4K</td>
<td>.70 $263K</td>
<td>46 $173K</td>
<td>91 $343K</td>
<td>.9 $339K</td>
</tr>
<tr>
<td>PROJECT 5</td>
<td>2,232</td>
<td>4,330</td>
<td>6,526</td>
<td>2,981</td>
<td>164</td>
<td>.34 $128K</td>
<td>.70 $263K</td>
<td>1.45 $545K</td>
<td>1.8 $678K</td>
<td>1.1 $550K</td>
</tr>
<tr>
<td>PROJECT 6</td>
<td>2,969</td>
<td>4,255</td>
<td>9,998</td>
<td>4,954</td>
<td>222</td>
<td>.21 $79K</td>
<td>.68 $256K</td>
<td>2.23 $840K</td>
<td>2.7 $1M</td>
<td>2.49 $921K</td>
</tr>
</tbody>
</table>

Notes: 1) Projects are actual, single-family residential, scrape and replace projects, with building permits issued between 2015 and 2020. 2) The current Fee-in-Lieu (FIL) value for Category 2 was used in calculating a benchmark for the value of the required mitigation.
<table>
<thead>
<tr>
<th>New Commercial Development</th>
<th>SF Residential Scrape and Replace</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6000 square feet of Net Leasable</strong></td>
<td><strong>6000 square feet of Floor Area</strong></td>
</tr>
<tr>
<td>6000/1000 = 6 x 4.7 FTEs =</td>
<td>4,500/1000 = 4.5 x .16 = .72</td>
</tr>
<tr>
<td>28.2 x .65 (mitigation rate) =</td>
<td>1,500/1000 = 1.5 x .36 = .54</td>
</tr>
<tr>
<td><strong>18.33 FTEs</strong> Required AH Mitigation Roughly $5.5M FIL</td>
<td><strong>1.26 FTEs</strong> Required AH Mitigation Roughly $475K FIL</td>
</tr>
</tbody>
</table>

Figure 4. In spite of the significant increase that these changes would make to residential mitigation, the mitigation per square foot would remain well below that of mitigation required for a similarly sized commercial area.

Public Outreach
Typically, when ComDev is proposing an amendment to the LUC, we have a public outreach plan in place to gather input and comment in shaping the amendment. On this set of topics however, staff does not believe that any level of public outreach will move the needle in support of these proposals. In staff’s view, removing these long-standing reductions in the required mitigation for residential projects will be unpopular within the development community – and particularly for those that are contemplating redevelopment projects.

In thinking about these proposed changes and the nature of public outreach, it should be noted that all required residential mitigation can be deferred if the owner is a full-time, locally working resident under APCHA Guidelines.

2015 Aspen Residential Employment Generation Study
Employment generation studies are essential to the foundation of Aspen’s GMQS system in that they establish the measurable impacts of new construction. These studies set the clear nexus between a square foot of construction and the demand for employees that are being created by the new space.

The RRC (consultant) study is built on the assumption that it is measuring the new impacts of residential development for two specific activities – construction and future maintenance and operations. While it does discuss existing Floor Area in redevelopment contexts, the report is most applicable to new development on an established vacant lot. The report also briefly references the inclusion of sub-grade area. On both topics, the
report (Credit and Exemption) is responding to these reductions in mitigation as established elements in Aspen's LUC – rather than factors that are driving the impacts of employee generation. What is crystal clear though is that the report establishes a mitigation requirement per 1,000 square feet of residential construction.

Staff raises this topic because of the importance of our mitigation requirements matching the generation studies behind them. If Council were to implement the elimination of the existing floor area credit and sub-grade exemption, staff recommends an update to the generation study to reflect the new stipulations in the LUC and more fully understand the impact of redevelopment scenarios.

Multi-Family Replacement Requirements
Multi-Family Replacement (MFR) requirements were instituted in the late 1980’s as it was becoming clear to the community that aging, smaller units were an important free-market rental and ownership housing option for working locals. In redevelopment scenarios, formerly “affordable” units were now out of reach for most locals. The requirements directed that if multi-family units were redeveloped, a percentage of the new units had to be deed-restricted affordable – either Resident Occupied (RO) or Category. The requirements had two purposes: 1) to discourage redevelopment of these multi-family properties into a higher-end, less attainable product; and, 2) if they did redevelop, the community would gain deed-restricted affordable units. In general, the effect of these regulations has translated into most of these multi-family developments remaining as built, and not pursued as redevelopment opportunities.

Why evaluate Multi-Family Replacement now?

1) Some multi-family developments are beginning to age beyond a typical building lifespan.

2) Real estate trends have taken many of these free-market units beyond the range of “affordability” for working locals.

3) While staff is working on the data to evaluate the scale of this trend, it has been observed that many of these units have been converted to short-term rentals.

4) These multi-family projects, if not redeveloped, do not generate opportunities for the creation of affordable housing units.

5) These properties generally occupy areas of the City that are zoned to accommodate density necessary for viable affordable housing, promote a walkable and transit-served community, and reduce resource consumption.

6) Community perspectives on the preference for RO units (as opposed to Category units) seem to be shifting as a consequence of recent trends in real estate valuation and the inability of the free-market to provide missing middle housing to working locals who qualify out of the APCHA system.
Design Workshop

**Exhibit A** is a Memorandum from a consultant team at Design Workshop that presents the following:

1) A review of current code requirements

2) Interviews with local stakeholders about the MFR requirements

3) Redevelopment Scenarios that apply the MFR requirements to four actual Multi-Family properties.

4) Analysis of the intersection of MFR requirements, zone district limitations, new development cost realities, and the viability of redevelopment projects.

5) Recommendations about possible improvements and areas for further analysis.

In an effort to avoid redundancy, staff recommends Council review the contents of the Memorandum. Design Workshop will present a summary of the findings of the Memorandum at the Work Session and staff will request direction from Council in response to questions raised by this analysis.

To restate from the first part of this memo, these are the questions that staff will use in asking for direction from Council on Multi-Family Replacement:

1) Does Council desire to facilitate the redevelopment of aging multi-family properties? A) To allow for the upgrade or replacement of buildings that are reaching the end of their lifespan? and/or B) To encourage the creation of required associated affordable housing?

If the answer to Question #1 is yes, to any degree:

2) Does Council desire for staff to propose density changes for multi-family development in the RMF, R-6, and Lodge Zone Districts – where existing multi-family properties are primarily located? If so, does Council prefer that staff present proposed changes as a stand-alone response to multi-family replacement OR as an element of a comprehensive analysis of Part 700 (Zone Districts) in search of other opportunities in the promotion of affordable housing.

3) Does Council desire for staff to propose changes to the multi-family replacement requirements in GMQS (100% - RO, 50% - Cat. 4), particularly related to the requirement of replacing the same number of units and net livable area and bedrooms?
4) Does Council desire for staff to propose changes for the affordable housing requirements for additional Free Market units (particularly the requirement for both Floor Area and Units) in redevelopment scenarios?

A general question:

5) What are Council’s views on the importance of RO (Resident Occupied as opposed to Category units) within the affordable housing inventory?

CONCLUSION AND NEXT STEPS:
First, Based on Council direction this evening, staff is prepared to pursue LUC amendments on the Single-Family and Duplex mitigation topics beginning as soon as August. Staff would present a set of options for Council’s consideration as part of the Policy Resolution review, followed by Ordinances to formally Amend the LUC.

On the Multi-Family Replacement topic, staff will need to refine potential code responses using the development scenario tool that Design Workshop has created. The range of potential responses is far greater on this topic and we will want to get it right. Staff estimates and three to six-month timeline depending on Council direction. Also, if Council desires to work on this topic, staff recommends a robust stakeholder and public outreach effort on this set of issues.

Finally, ComDev staff will be prepared to discuss a full range of affordable housing and growth management topics during Council discussion at their Retreat; July 19 and 20. Should Council desire to establish a new goal(s) related to Affordable Housing and / or GMQS, staff will be present to help Council align desired outcomes with possible approaches to create achievable goal language.

FINANCIAL IMPACTS: To be determined, depending on project scope.

ENVIRONMENTAL IMPACTS: To be determined, depending on project scope.

ALTERNATIVES: N/A

RECOMMENDATIONS: N/A

CITY MANAGER COMMENTS:

EXHIBITS:  
A - Design Workshop Memorandum on Development Scenario Analysis  
B - Summary of Current Multi-Family Replacement Requirements
MEMORANDUM

To: City of Aspen, Ben Anderson
From: Design Workshop, Jessica Garrow, Eric Krohgold, Chris Freda, Jalen Miller
Project Name: City of Aspen Multi-Family Replacement
Project #: 8520
Subject: Existing Code Analysis and Gap Needs Assessment

Overview and Background
This summary document outlines one portion of the City's Growth Management Quota System (GMQS) - the Multi-Family Replacement Program. The City of Aspen and Pitkin County originally adopted a Growth Policy and associated GMQS Program in the mid-1970s to address growth and development pressures in the area. The program has evolved since then and various additions have been made to address the pressing issues of the day. The Multi-Family Replacement Program was originally adopted as a stand-alone code section in 1988 and worked in tandem with the GMQS program. In 2007 the section was moved into the GMQS Chapter, where it has been located ever since.

The intent of the original Multi-Family Replacement Program was to support long standing goals of dispersed housing opportunities in the community and to limit the displacement of housing units from the city's overall inventory of housing. The original purpose statement read, in part, "The City of Aspen's neighborhoods have traditionally been comprised of a mix of housing types, including those which are affordable by its working residents. However, because of Aspen's attractiveness as a resort environment, and because of the physical constraints of the upper Roaring Fork Valley, there is constant pressure for the redevelopment of older homes for tourist and second home use." (Sec 5-701 of Ordinance 47, Series of 1988)

While the program has changed over the years to address changes in development pressures, housing goals, and coordination with the overall GMQS program, the overall intent has remained consistent – with the statement above still remaining in the code over 30 years later.

While the program goals have remained consistent, the interplay of the overall GMQS chapter and changes to APCHA Guidelines and Policies have created the need to review the program's effectiveness and its place within the overall context of mitigation requirements. This document reviews some of the key issues at a high level and relies on interviews and a review of relevant adopted policy guidance from APCHA and the City to suggest potential adjustments to the program. The analysis is supported by a review of development scenarios of four project types and how redevelopment would or would not move forward based on the current regulations. A summary of potential recommended code amendments and next steps is included at the end of the document.

Also included is a detail of test scenarios that were used to evaluate the program's operations (Appendix 1), and a graphic summary of the Multi-Family Replacement Program (Appendix 2).
Code Review
Multi-Family Replacement Requirements
The current Multi-Family Replacement Program requires any project that demolishes an existing residential unit that has ever housed a local working resident to be replaced with affordable housing mitigation. Similarly, if an existing deed restricted unit is demolished it must also be replaced. For a project that demolishes a unit, the applicant must review and comply with the City of Aspen Land Use Code and the Aspen/Pitkin County Housing Authority Guidelines and adopted policies. A review for Multi-family Replacement is completed by the City’s Planning and Zoning Commission (P&Z).

The Multi-Family Replacement Program has historically required replacement of demolished units on site, with the potential to allow off-site replacement through an approval by P&Z. The language from 1988 remains substantially unaltered in today’s code. A separate location can be approved by the Planning and Zoning Commission if the owner can demonstrate, and the P&Z determines, that “replacement of the units on site would be in conflict with the parcel’s zoning or would be an inappropriate solution due to the site’s physical constraints.” (Sec 26.470.090.d.4) This review is required for replacement in a different physical location or through the use of Certificates of Affordable Housing Credit. There are no specific review criteria outlined other than the citation above.

A project that includes a mitigation requirement that is a fraction of a unit can opt to provide mitigation via a cash-in-lieu payment if approved by City Council. There are four criteria City Council can use to review the request, and the code encourages the use of housing credits over cash-in-lieu. This is seen in the language of the review criteria, which states twice that “the applicant has made a reasonable good-faith effort...of providing the required affordable housing...through the purchase of affordable housing certificates.” (26.470.110.c.2-3) This is also seen in the fact that a request for cash-in-lieu is reviewed by City Council, and the use of a housing certificate is reviewed by P&Z.

The code outlines four scenarios for Multi-Family Replacement:
1. **100% replacement** – this requires that 100% of the current free-market residential units, bedrooms, and net livable area that were demolished be replaced as RO (Resident Occupied) housing. The current number of free-market units can be replaced on-site in this option with no additional mitigation required. If more units are desired, additional mitigation is required through the City’s 60% and 70% programs.
2. **50% replacement** – this option requires that 50% of the current free-market residential units, bedrooms, and net livable area that were demolished be replaced as Category 4 housing. The current number of free-market residential units can be replaced onsite with mitigation equal to 30% of the net livable area. New free-market residential units beyond those that existed pre-development are required to be mitigated through the City’s 60% and 70% programs.
3. **Housing Credits replacement** – this option allows 100% of the existing free-market units, as well as any expansion in unit numbers, to be replaced as Category housing units that are then available to be sold through the Credits Program.
4. **Replacement of existing affordable multi-family units** – when a project has existing deed restricted housing units, 100% of the FTEs (Full Time Equivalents) currently housed are required to be replaced in new deed restricted units.
There are some exemptions to the program, but generally if a unit has ever housed a local working resident it is required to be mitigated through the provision of affordable housing through the Multi-Family Replacement Program.

60% and 70% Mitigation Requirements
The City’s GMQS requirements include options for the development of new free-market residential units if a certain percentage of affordable housing is also provided. This review is linked to the Multi-Family Replacement Program when an owner decides to move forward with additional free-market residential units beyond the original number that existed on the site. The sections require either 60% or 70% of the additional units be provided as affordable housing. The 60% metric originated as part of the GMQS rewrite that occurred in 1994 following the completion of the 1993 AACP, which included a stated goal of housing 60% of the community’s workforce up valley of Aspen Village. (Ordinance 54, Series of 1994) These provisions have traditionally been used as mitigation for new subdivisions, such as Williams Ranch which was adopted by Ordinance 52, Series of 1994.

In 2007 the GMQS Chapter was re-written as part of a land use moratorium, and the Multi-Family Replacement Program was incorporated into the GMQS Chapter as a whole (Ordinance 14, Series of 2007). Until 2015, mitigation for additional free-market units in a Multi-Family Replacement project was required to equal 30% of the additional free-market net livable square footage created by the development.

In 2015, a number of amendments to the GMQS chapter were completed, including tying additional mitigation to the 60% and 70% code sections (Ordinance 35, Series of 2015). The effect of this change was to increase the amount of affordable housing mitigation that is required when an owner desires to add more free-market units to their site. To date, no project has gone through Multi-Family Replacement and used these provisions to provide additional free-market or affordable housing density on a site.

Program Analysis
Code Language Simplification
As part of this work, Design Workshop reviewed the current code for clarity, and discussed opportunities to simplify the language with a group of frequent users of the code. Generally, there are certain citations in the Multi-Family Replacement section, and GMQS overall, that need to be updated. This should be prioritized in any initial code amendment work to the Chapter to ensure the language and mitigation requirements are clear for all developments.

Additionally, the language of the code regarding how mitigation is accomplished through Multi-Family Replacement is confusing. As part of this work, Design Workshop created a handout to explain the program. While helpful, the four-page hand out explains 2 pages of code indicating that general language clarity is needed. One suggestion is to add examples to the code to provide clarity regarding how mitigation is accomplished in each of the four replacement options. While this will add length to the code, it will provide needed clarification about what the language means.

As mentioned above, the Multi-Family Replacement code section outlines requirements related to the location of replacement housing and the ability to provide a fee-in-lieu payment. Additional language and the creation of objective standards would assist applicants and review boards understand when an alternative location is appropriate. Additionally, the review criteria related to the use of cash-in-lieu for any project could be simplified by removing two redundant code requirements. If the City desires to allow more
use of cash-in-lieu a review of the triggers for a Council level review versus a P&Z level review for Multi-Family Replacement projects should occur.

A theme in interviews with common users of the GMQs code section is the complexity of the language, and difficulty navigating the various mitigation requirements. If the City moves forward with amendments to Multi-Family Replacement or GMQs in general, focus should be on readability and usability of the code. Interviewees did not suggest removing requirements as part of this effort, but instead expressed their desire for more clarity on what the city’s overall mitigation and housing development goals are and incorporating those into the code rather than bouncing each applicant from section to section in the code. While there is no single solution, it is important that any effort at “simplifying” or “clarifying” the code include outreach and review by users to ensure those goals are being met in the updated language.

As part of the interviews, Design Workshop asked if the location of the Multi-Family Replacement Program in the code mattered – should it be relocated to its own Chapter again, for instance. All interviewees indicated that the location of the language did not matter, but the overall clarity of the language did.

**General Replacement Requirements**

The City’s Multi-Family Replacement Program includes requirements for replacement of both free-market housing and deed restricted (affordable) housing. There are detailed requirements for replacement of free-market housing in the code, regardless of if the 50% or 100% replacement options are chosen. These sections require the replacement of bedrooms, units, and net leasable area, requiring developers to track three metrics for their project – in addition to making sure the replacement housing meets minimum APCHA requirements.

In interviews, developer representatives indicated that tracking all three of these metrics is difficult, if not impossible for many projects. Additionally, because APCHA identifies minimum unit sizes for new deed restricted units, which may greatly exceed the existing unit sizes, the overall dimensions of a project may no longer work.

For the replacement of existing affordable housing, the code only requires that the number of FTEs housed be replaced. The code allows the redevelopment to “increase or decrease the number of units, bedrooms or net livable area such that there is no decrease in the total number of employees housed by the existing units.” This creates some flexibility in a redevelopment scenario to update housing units to meet current identified needs for affordable housing.

Based on Design Workshop’s review of the code and case studies, moving to a single, consistent, metric for all Multi-Family Replacement projects is a potential program improvement that will not only simplify the program's usability and understandability, but can be a way to ensure the code and overall APCHA policy priorities are being met. This requires coordination with APCHA and the City to determine the most critical development metric to track – overall units, number of bedrooms, net leasable area, or FTEs housed – but once that agreement is reached, the code language will be much clearer. Design Workshop suggests that the following language be used for both affordable and free-market replacement requirements, which is largely based off the current language for replacement of affordable multi-family housing units.  

(26.470.100.d.1.c)

"In the event a project proposes to demolish or replace existing multi-family residential units (free-market or affordable), the redevelopment may increase or decrease the number of units,
bedrooms or net livable area such that there is no decrease in the total number of employees housed by the existing units. The overall number of replacement units, unit sizes, bedrooms and category of the units shall comply with the Aspen/Pitkin County Housing Authority Guidelines.”

Category Adjustments for Replacement Housing

The code outlines the APCHA category for all replacement housing, including Category 4 for 50% replacement and RO for 100% replacement. These category levels have remained unchanged since they were first introduced into the program in 2007. Prior to 2007, the code did not require a specific category unit to be part of the 50% or 100% replacement but did require deed restrictions to meet APCHA requirements.

In May of 2020, APCHA adopted an “Affordable Housing Development Policy” that outlines the development priorities of the APCHA Board. While this document is not incorporated into the code, it is important to understand where APCHA priorities and code language align and where they differ. The Development Policy identifies bedroom count and category level priorities for public and private sector development of affordable housing as follows:

a. Private Sector Priorities
   1) Ownership: one and two-bedroom units in Categories 1, 2 or 3, with associated RO units
   2) Ownership: three-bedroom units in Categories 3 and 4

b. Public Sector Priorities
   1) Entry-level rental: one-bedroom units in Categories 1 and 2
   2) Ownership: one and two-bedroom units in Categories 2 and 3
   3) Ownership: three-bedroom units in Categories 3 and 4

The APCHA adopted priorities are primarily for Categories lower than outlined by the Land Use Code. While the code allows replacement housing to be developed at a lower category, it is not required. This is an area that could be addressed through changes that require replacement of FTEs, and enable a developer to review specific bedroom and category make up with APCHA.

In interviews with users of the program they indicated that sometimes the difference in APCHA priorities and the code language can create conflict in direction – APCHA may be indicating one type of affordable housing product as being needed, but the code dictates another. Creating a single set of requirements, or a single decision-making body for the determination of the replacement requirements could solve this issue.

It should be noted that the Development Policy references the City’s Multi-Family Replacement Program, stating that if an existing Affordable Housing Unit or project is demolished that the 50% replacement requirements are applicable. This does not reflect the current code language and should be updated in the Policy document to ensure it accurately reflects the Land Use Code. The document does include a statement that all relevant Land Use Code sections apply to housing development. A clause indicating that the City Code requirements supersede the policy document could clarify any other inconsistencies that might exist in the Development Policy language.

Location Requirements

As mentioned previously, the location of replacement units is intended to be the original parcel the project is located on. However, given zoning constraints and site constraints, this is not always possible. Code
language establishing criteria for a different location could assist in general clarity. Alternatively, allowing multiple locations for replacement housing by right could dramatically increase the number of projects that can effectively update and redevelop under the Multi-Family Replacement program. This would create additional certainty for an owner interested in updating their property and could enable larger scale creation of affordable housing. A potential benefit of allowing multiple locations would be increasing the financial feasibility of projects so a property owner can move forward with updates to their property while also providing deed restricted housing that does not exist today.

**Expiring Deed Restrictions**

A related topic for the Multi-Family Replacement Program are projects that include expiring deed restrictions. These are typically multi-family projects that were approved in the 1980s and included language with a sunset on the deed restriction. Many of these are tied to the longer of 50 years, or 20 years following the death of the last living Council Member on the Council that approved the project. Record keeping from the 1980s is sometimes difficult to follow, but generally these are believed to begin expiring in the late 2020s and early 2030s. This time will come quickly and addressing these deed restrictions earlier than their eminent expiration is in the best interest of the community.

There are a number of potential approaches to this issue, each with varying degrees of political and policy implications. Design Workshop suggests the City complete a longer policy conversation with the owners of these properties and the community prior to any code changes. Based on interviews and the analysis completed, Design Workshop has identified two potential options the City may wish to explore in more detail:

1. **Incentivize the conversion to modern deed restrictions.** In this option, the city could use the requirements of Multi-Family Replacement as a guide, allowing a certain percentage of units converted to a modern deed restriction to be eligible for the creation of Certificates of Affordable Housing Credits. This would provide a path for owners to permanently deed restrict some or all of the existing housing units, creating some stability in the overall housing stock in the City. Interviewees suggested this approach, where the City proactively seeks to incentivize addressing these deed restrictions, could be successful with many of the current owners.

2. **Adjust triggers for GMQS Change in Use.** The City’s GMQS Program is based on different general land use types – Residential, Commercial, Lodging, and Essential Public Facility. Freemarket residential and affordable housing are considered part of the same general land use category, Residential. GMQS also outlines that a change between the general land use types triggers affordable housing mitigation. One option the City could take is determining that the general land use categories should be revisited and that Residential should be divided into freemarket and affordable. This would mean that the conversion of any current affordable housing unit to a free market unit would require some kind of housing mitigation. The exact requirement would need to be determined. The legal implications of this option are unclear and warrant additional research by the City Attorney. It should be noted that this option is likely to cause uncertainty and concern for all owners of these expiring deed restrictions, and interviewees suggested that this tactic could be unnecessarily controversial.

**Multi-Family Replacement Test Scenarios**

Four sample properties were used to understand the current workings of the Multi-Family Replacement Program. These properties are located in the Residential Multi-Family (RMF), Lodge (L) and Medium
Density Residential (R-6) zone districts. These zone districts and sample properties were selected because they include characteristics common for many existing multi-family developments in the city. It is important to note that no specific property is referenced in these, but there may be similarities to individual properties.

For each scenario, Design Workshop created a basic mathematical model to understand the Multi-Family Replacement requirements and the likely associate costs and revenues. This analysis leads to an understanding, at a high level, of if a project is financially feasible for redevelopment. This does not account for potential outside factors, such as individual property owner goals, reviewing multi projects for redevelopment as part of a larger project, variables in construction financing, and the like. The analysis takes city dimensional requirements, including potential parking requirements, heights, setbacks, and floor areas into account, as well as required APCHA minimum unit sizes. Each scenario is reviewed under a Low Density, Medium Density, and High Density analysis. This generally equates to the sliding scale of allowances in the RMF zone district.

Given the different options in the Multi-Family Replacement Program, each was included for the different scenarios. Depending on the property example, different scenarios are feasible. Any option that would not financially pencil based on the model is identified as Not Feasible. Information about Feasible options are summarized for each scenario.

**Scenario Summary**
The table below is a summary of the findings from the scenarios. The colors indicate which scenarios are feasible under the current code language. A complete write-up of each scenario can be found in Appendix 1.

<table>
<thead>
<tr>
<th>Replacement Option</th>
<th>Minimum Density</th>
<th>Maximum Density</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
<td>50%</td>
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<tr>
<td>Scenario One</td>
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<tr>
<td>Scenario Two</td>
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<td>Scenario Three</td>
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<tr>
<td>Scenario Four*</td>
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</tbody>
</table>

*See written explanation in Appendix 1 for detail about how shifts in density requirement can affect project feasibility. (see Appendix 1)
**100% credits projects could be profitable if the credits are sold at a premium (i.e., not pegged to cash-in-lieu rates)

Red = Not developable due to zoning constraints.
Yellow = Developable, but not feasible due to financial constraints.
Green = Developable and profitable.

**Scenario Findings**
Design Workshop identified the following high-level findings based on the analysis of how each sample property would interact with the available Multi-Family Replacement requirements.

- Very high development costs per square foot (which is standard in Aspen) created scenarios in which no combination or amount of development could ensure a profitable project.
- The ratio of project cost per square foot versus revenue per square foot often forced the development of smaller, less expensive, studio and one-bedroom units.
- Floor area restrictions within zones limited the potential density of projects, making them financially infeasible.
• The prohibition on multi-family development within certain zones creates situations in which demolished multi-family housing may never be replaced in their current location. Those properties would more likely go through a remodel that does not trigger demolition, or the need to use multiple sites to meet mitigation requirements if a redevelopment were pursued.

• The requirement of equaling or exceeding units, bedroom, and net livable floor area of existing multi-family units significantly limit the ability of developers to creatively mix unit types to enable the feasibility of a project.

Overall Conclusions
Included as an attachment to this summary are a series of scenarios, which evaluate the financial viability of completing a Multi-Family Replacement Project in the city. These scenarios are based on typical lot size and development configurations in the city. Given the current code requirements in GMQS and Zoning, we believe it is unlikely that owners will move forward with projects that trigger Multi-Family Replacement requirements.

As one interviewee summarized – if the City does not want to see any changes to the existing multi-family housing stock, then this program is succeeding. As another said – if the City wants to incentivize density this program needs to be adjusted because every time we run the numbers a project does not pencil. Anecdotally, the Multi-Family Replacement Program has succeeded in limiting the demolition of existing multi-family units, but it has not prevented those units from being converted into short term lodging options for tourists or second homeowners.

It is important to note that any project in the R-6 zone district is not able to redevelop because multi-family units are not an allowed use in that zone. While non-conforming uses are able to be replaced, their size cannot be expanded so there is little incentive for a property owner to move forward with a redevelopment. This means the projects are stuck as is, or are pushed into single-family or duplex development. Enabling more density on these existing lots, or allowing multiple lot Multi-Family Replacement projects could help address this issue.

Similarly, zoning allowances in the Lodge zone district penalize the development of multi-family housing by allowing significantly less height and floor area than lodge development. While this is a clear policy choice that has been made by past Councils, it has meant existing multi-family developments are not able to achieve their current dimensions under the current code. These units slowly convert to second homes and are remodeled, but no housing mitigation is provided or required. Exploring incentives for heights and floor area that matches allowances in the RMF zone for the replacement of existing multi-family buildings could address this. One example is looking at areas that are adjacent to the RMF zone, such as areas north of Durant, and allowing RMF scale developments for properties that currently have a multi-family development.

Overall, the Multi-Family Replacement Program should be updated for clarity and simplification. Additionally, key policy issues, such as the expiration of deed restrictions, and the potential adjustment to focus on FTEs housed versus specific bedroom, unit, and net livable metrics, should also be addressed. These likely have more impact on the program and should be part of a broader community conversation.

Appendix 1 – Summary of Scenarios
**Test Scenario One**

The example used for Scenario 1 is a multi-family complex in the RMF zone district constructed in the early 1970s, including studio and 1-bedroom units. The lot size is assumed to be 9,000 sq ft. A total of 12 existing units are included for this example, with units ranging from 550 sq ft to 725 sq ft in size.

The RMF zone allows for different floor area ratios (FAR) and heights depending on the number of units on the site:
- Low Density: FAR of 0.75:1 (less than 1 unit per 1,500 sq ft of gross lot area); Height of 25 feet
- Medium Density: FAR of 1.25:1 (equal to or greater than 1 unit per 1,500 sq ft of gross lot area); Height of 25 feet
- Maximum Density: FAR of 1.5:1 (equal to or greater than 1 unit per 1,500 sq ft of gross lot area); Height of 32 feet

General setbacks of the zoning district include ten (10) feet minimum front setback, ten (10) feet minimum rear setback, five (5) feet minimum side setback.

Dimensional allowances and requirements for this scenario are outlined in Table 1:

<table>
<thead>
<tr>
<th></th>
<th>Low Density</th>
<th>Medium Density</th>
<th>High Density</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lot Area</td>
<td>9,000</td>
<td>9,000</td>
<td>9,000</td>
</tr>
<tr>
<td>Allowed Floor Area</td>
<td>6,750</td>
<td>11,250</td>
<td>13,500</td>
</tr>
<tr>
<td>Number of Units (based on sliding FAR scale)</td>
<td>0-5</td>
<td>6-11</td>
<td>12+</td>
</tr>
<tr>
<td>Required Parking Spaces (1 per unit)</td>
<td>0-5</td>
<td>6-11</td>
<td>12+</td>
</tr>
<tr>
<td>Maximum Height (ft.) (based on sliding FAR scale)</td>
<td>25</td>
<td>25</td>
<td>32</td>
</tr>
</tbody>
</table>

**Scenario One: Low Density**

*Non-feasible Options*

The Multi-Family Replacement options of 100% replacement, 50% replacement, and 100% replacement with credits are not feasible under the low-density scenario due to the number of required replacement units being greater than the maximum allowable number units.

**Scenario One: Medium Density**

*Non-feasible Options*

The Multi-Family Replacement options of replacement and 100% replacement with credits are not feasible under the medium-density scenario due to the number of required replacement units being greater than the maximum allowable number units.

**50% Unit Replacement**

The Multi-Family Replacement option of 50% unit replacement is feasible under medium density development restrictions, however, the density restrictions limit the number of free market units that may be built on the site, resulting in the project being financially infeasible. Under this scenario a developer could replace the existing units with 2 studio units and 4 one-bedroom units. This combination of units meets or exceeds the existing code’s requirement for replacement of existing units, total bedrooms, and net livable square feet. Due to the limits on maximum allowable floor area and total number of units, a developer could only build five (5) market rate units, limiting the possibility of recouping development costs through the sale of additional market rate units. The project’s
total unit count caps out at 11 units in the FAR sliding scale, with a total floor area of 8,030 square feet. The total development footprint, including both building floor area\(^1\) and parking is estimated to be 5,995 feet, enabling the project to fit in the site while meeting the zones setback requirements.

It is estimated that project of this size in the Aspen area would cost approximately $9,298,300 to develop. Potential revenue from the sale of both Category 4 deed restricted units and market rate units is anticipated to be approximately $7,278,000. Given these development assumptions this project would result in a net loss of approximately $2,020,300 for a developer. The limitations of the existing zoning code and lack of financial incentive for this project indicates that a developer would likely not pursue this development scenario.

**Scenario One: Maximum Density**

**100% Unit Replacement**

The Multi-Family Replacement option of 100% unit replacement is both feasible and profitable under the maximum density development restrictions, however, the zones’ density restrictions limit the number of free market units that may be built on the site, resulting in the projected decrease of potential revenue. Under this scenario a developer could replace the existing units with eight studio units and four one-bedroom units at the RO category. The combination of units meets or exceeds the existing code’s requirement for replacement of existing units, total bedrooms, and net livable square feet. A developer could then develop 10 free market studio units. Two units below the maximum allowable number under the 100% replacement option\(^2\). The project’s total unit count would be 22 units for a total floor area of 12,980 square feet. The total development footprint, including both building floor area\(^3\) and parking is estimated to be 8,287 feet, enabling the project to fit in the site while meeting the zones’ setback requirements.

It is estimated that project of this size in the Aspen area would cost approximately $14,957,800 to develop. Potential revenue from the sale of both RO deed restricted units and market rate units is anticipated to be approximately $16,500,000. Given these development assumptions this project would result in a net profit of approximately $1,542,300 for a developer. The constraints of the existing zoning code limit the maximum profit that a developer would be able to make if they were to add additional density.

**50% Unit Replacement**

The Multi-Family Replacement option of 50% unit replacement is feasible under the maximum density development restrictions, however, the project is not profitable given the required unit types and development costs. Under this scenario a developer could replace the existing units with two category four studio units and four category four one-bedroom units. This combination of units meets or exceeds the existing code’s requirement for replacement of existing units, total bedrooms, and net livable square feet. A developer could then develop 12 free market studio units, the maximum allowable number of units under the 50% replacement option\(^4\). The project’s total unit count would be 18 units and a total floor area of 10,780 square feet. The total development footprint, including both building floor area\(^5\) and parking is estimated to be 6,833 feet, enabling the project to fit in the site while meeting the zone’s setback requirements.

It is estimated that project of this size in the Aspen area would cost approximately $12,625,800 to develop. Potential revenue from the sale of both Category 4 deed restricted units and market rate units is anticipated to be approximately $12,578,000. Given these development assumptions this project would result in a net loss of $47,800 for a developer. The lack of financial incentive for this project indicates that a developer would likely not pursue this development scenario.

\(^1\) Building footprint assumes a two-story development up to 25 feet in height.
\(^2\) A developer could build additional units so long as they meet the requirements of the 60/70 percent affordable development requirements as defined by the GMQS chapter.
\(^3\) Building footprint assumes a three-story development up to 32 feet in height.
\(^4\) A developer could build additional units so long as they meet the requirements of the 60/70 percent affordable development requirements as defined by the GMQS chapter.
\(^5\) Building footprint assumes a three-story development up to 32 feet in height.
100% Unit Replacement with Credits

The Multi-Family Replacement option of 100% unit replacement with credits is feasible under the maximum density development restrictions, however, the project is not financially feasible based on the sale of deed restricted units and credits alone, assuming they are pegged to the existing Cash-in-Lieu rate.

Under this scenario a developer could replace the existing units with six studio units and six one-bedroom units. This combination of units meets the code’s requirement for replacement of existing units. No free-market units would be built under this replacement option. Instead, the developer would receive credits equal to the number for Full Time Employees housed by a development of this size. For this project, a developer would receive 18 development credits. The project’s total unit count would be 12 units and a total floor area of 7,920 square feet. The total development footprint, including both building floor area\(^6\) and parking is estimated to be 6,120 feet, enabling the project to fit in the site while meeting the zones’ setback requirements.

It is estimated that project of this size in the Aspen area would cost approximately $8,791,200 to develop. Potential revenue from the sale of both category 4 deed restricted units and credits is approximately $7,812,367. Given these development assumptions this project would result in a net loss of $978,833 for a developer.

While not profitable on its own, this project could generate additional revenues through the sale of deed restricted units to local employers. These units would be sold to local employers at market price, however they would maintain their deed restriction and be used to house local employees. This strategy could be used to boost the profitability of a project and further incentivize local developers to pursue development using the credits system.

Test Scenario Two

This scenario is also located in the RMF zone district. It assumes a property of 17,000 sq ft built in the late-1970s or early 1980s that includes 12 1-bedroom units of approximately 625 sq ft. Zoning allowances are the same as Scenario 1, with the specific development allowances outlined in Table 2. The multi-family complex used for Scenario 2 was constructed in 1975. The apartment complex offers 1-bedroom models. The property is within the residential multi-family (RMF) zone district.

| Table 2: |
|----------|----------|----------|
|          | Low Density | Medium Density | High Density |
| Lot Area | 17,000    | 17,000    | 17,000    |
| Allowed Floor Area | 12,750 | 21,250 | 25,500 |
| Number of Units (based on sliding FAR scale) | 0-10 | 11-21 | 12+ |
| Required Parking Spaces (1 per unit) | 0-10 | 11-21 | 12+ |
| Maximum Height (ft.) (based on sliding FAR scale) | 25 | 25 | 32 |

Scenario Two: Low Density

Non-feasible Options

The Multi-Family Replacement options of 100% replacement and 100% replacement with credits are not feasible under the low-density scenario due to the number of required replacement units being greater than the maximum allowable number units.

\(^6\) Building footprint assumes a two-story development up to 25 feet in height.
50% Unit Replacement
The Multi-Family Replacement option of 50% unit replacement is feasible under low density development restrictions, however, the density restrictions limit the number of free market units that may be built on the site, resulting in the project being financially infeasible. Under this scenario a developer could replace the existing units with 2 studio units and 4 one-bedroom units. This combination of units meets or exceeds the existing code’s requirement for replacement of existing units, total bedrooms, and net livable square feet. Due to the limits on maximum allowable floor area and total number of units, a developer could only build four (4) market rate units, limiting the possibility of recouping development costs through the sale of additional market rate units. The project’s total unit count caps out at 10 units in the FAR sliding scale, with a total floor area of 6,380 square feet. The total development footprint, including both building floor area and parking is estimated to be 3,927 feet, enabling the project to fit in the site while meeting the zone’s setback requirements.

It is estimated that project of this size in the Aspen area would cost approximately $7,301,800 to develop. Potential revenue from the sale of both Category 4 deed restricted units and market rate units is anticipated to be approximately $5,378,000. Given these development assumptions this project would result in a net loss of approximately $1,923,800 for a developer. The limitations of the existing zoning code and lack of financial incentive for this project indicates that a developer would likely not pursue this development scenario.

Scenario Two: Maximum Density
100% Unit Replacement
The Multi-Family Replacement option of 100% unit replacement is both feasible and profitable under the maximum density development restrictions, however, the zones’ density restrictions limit the number of free market units that may be built on the site, resulting in the projected decrease of potential revenue. Under this scenario a developer could replace the existing units with four 9 (4) studio units and eight (8) one-bedroom units at the RO category. This combination of units meets or exceeds the existing code’s requirement for replacement of existing units, total bedrooms, and net livable square feet. A developer could then develop 12 free market two bedroom units, which meets the existing code’s allotment for additional free market units.

Through Aspen’s 60%/70% affordable development processes, a developer could add an additional 10 units to this site. In addition to the 12 replaced RO units and the 12 free market units, the developer could add four (4) Category 4 (or lower) units, three (3) RO units, and three (3) free market units.

The project’s total unit count would be 34 units for a total floor area of 24,090 square feet. The total development footprint, including both building floor area and parking is estimated to be 14,150 square feet, enabling the project to fit in the site while meeting the zone’s setback requirements.

It is estimated that a project of this size in the Aspen area would cost approximately $28,092,900 to develop. Potential revenue from the sale of the affordable units, RO deed restricted units, and market rate units is anticipated to be approximately $30,232,000. Given these development assumptions this project would result in a net profit of approximately $2,139,100 for a developer. The constraints of the existing zoning code limit the maximum profit that a developer would be able to make if they were to add additional density.

50% Unit Replacement
The Multi-Family Replacement option of 50% unit replacement is feasible and financially viable under the maximum density development restrictions. Under this scenario a developer could replace the existing units with two (2) category four studio units and four (4) category four one-bedroom units. This combination of units meets or exceeds

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7 Building footprint assumes a two-story development up to 25 feet in height.
8 A developer could build additional units so long as they meet the requirements of the 60/70 percent affordable development requirements as defined by the GMQS chapter.
9 Building footprint assumes a three-story development up to 32 feet in height.
the existing code's requirement for replacement of existing units, total bedrooms, and net livable square feet. A developer could then develop 12 free market studio units, the maximum allowable number of units under the 50% replacement option. Through Aspen's 60%/70% affordable development processes, a developer could add an additional 30 units to this site. In addition to the six (6) replaced category four units and the 12 free market units, the developer could add 12 Category 4 (or lower) studio units, nine (9) RO one-bedroom units, and nine (9) one-bedroom free market units.

The project's total unit count would be 48 units and a total floor area of 24,310 square feet. The total development footprint, including both building floor area and parking is estimated to be 16,743 square feet, enabling the project to fit in the site while meeting the zone's setback requirements.

It is estimated that project of this size in the Aspen area would cost approximately $28,337,100 to develop. Potential revenue from the sale of both Category 4 deed restricted units and market rate units is anticipated to be approximately $31,949,000. Given these development assumptions this project would result in a net profit of $3,611,900 for a developer.

100% Unit Replacement with Credits
The Multi-Family Replacement option of 100% unit replacement with credits is feasible under the maximum density development restrictions, however, the project is not financially feasible based on the sale of deed restricted units and credits alone, assuming they are pegged to the existing Cash-in-Lieu rate.

Under this scenario a developer could replace the existing units with 12 Category 4 studio units. These unit meet the code's requirement for replacement of existing units. No free-market units would be built under this replacement option. Instead, the developer would receive credits equal to the number for Full Time Employees housed by a development of this size. For this project, a developer would receive 15 development credits. The project's total unit count would be 12 units and a total floor area of 6,600 square feet. The total development footprint, including both building floor area and parking is estimated to be 4,360 square feet, enabling the project to fit in the site while meeting the zone's setback requirements.

It is estimated that project of this size in the Aspen area would cost approximately $7,326,000 to develop. Potential revenue from the sale of both category 4 deed restricted units and credits is approximately $6,976,306. Given these development assumptions this project would result in a net loss of $349,694 for a developer.

While not profitable on its own, this project could generate additional revenues through the sale of deed restricted units to local employers. These units would be sold to local employers at market price, however they would maintain their deed restriction and be used to house local employees. This strategy could be used to boost the profitability of a project and further incentivize local developers to pursue development using the credits system.

Test Scenario Three
This scenario is based in the Lodge (L) zone district and assumes a property of 15,000 sq ft with a mix of 1-to-3 bedrooms, ranging in size from 976 sq ft to 1,452 sq ft. A total of 11 units are included in this scenario.

The Lodge Zone District allows a maximum height of 28 feet, and limits floor area for all multi-family projects to between 0.5:1 and 0.75:1 FAR, depending on the composition of free-market and affordable housing units. Projects that were established prior to 2005 are allowed a maximum of 1:1 FAR. For the purposes of this scenario, the date of construction. General setbacks of the zoning district include five (5) feet minimum front setback, five (5) feet minimum

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10 A developer could build additional units so long as they meet the requirements of the 60/70 percent affordable development requirements as defined by the GMAQS chapter.
11 Building footprint assumes a three-story development up to 32 feet in height.
12 Building footprint assumes a two-story development up to 25 feet in height.
rear setback, five (5) feet minimum side setback. Information on allowed density and associate dimensions is included in Table 3.

<table>
<thead>
<tr>
<th></th>
<th>Low Density (Assumes 0.5:1 FAR)</th>
<th>High Density (Assumes 0.75:1 FAR)</th>
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</thead>
<tbody>
<tr>
<td>Lot Area</td>
<td>15,000</td>
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</tr>
<tr>
<td>Allowed Floor Area</td>
<td>7,500</td>
<td>11,250</td>
</tr>
<tr>
<td>Number of Units</td>
<td>0-6</td>
<td>7+</td>
</tr>
<tr>
<td>Required Parking Spaces</td>
<td>0-7</td>
<td>7+</td>
</tr>
<tr>
<td>Maximum Height (ft.)</td>
<td>28</td>
<td>28</td>
</tr>
</tbody>
</table>

**Scenario Three: Minimum Density**

**Non-feasible Options**
The Multi-Family Replacement options of 100% replacement, 50% replacement, and 100% replacement with credits are not feasible under the low-density scenario due to the number of required replacement units being greater than the maximum allowable number units.

**Scenario Three: Maximum Density**

**100% Unit Replacement**
The Multi-Family Replacement option of 100% unit replacement is neither feasible nor financially viable under the maximum density development restrictions. The zone's floor area allowances limit the number of square footage that is feasible, resulting in the inability to replace 100% of the existing units. Due to the existing code's requirement for replacement of existing units, total bedrooms, and net livable square feet, a developer would be forced to replace the existing units with one (1) studio unit, one (1) two-bedroom unit, and nine (9) three-bedroom units at the RO category. While this combination of units meets or exceeds the existing code's requirement for replacement of existing units, total bedrooms, and net livable square feet, this combination of units exceeds the amount of allowable floor area. Additionally, a developer could not develop any free market housing, drastically decreasing the profitability of the project.

**50% Unit Replacement**
The Multi-Family Replacement option of 50% unit replacement is feasible, but not financially viable under the development density restrictions. Under this scenario a developer could replace the existing units with one (1) category four one-bedroom unit and five (5) category four three-bedroom units. This combination of units meets or exceeds the existing code's requirement for replacement 50% of existing units, total bedrooms, and net livable square feet. A developer could then develop seven free market studio units, the maximum number of units allowable under the zone's floor area limitations.

The project's total unit count would be 13 units and a total floor area of 11,220 square feet. The total development footprint, including both building floor area and parking is estimated to be 7,950 square feet, enabling the project to fit in the site while meeting the zone's setback requirements.

It is estimated that project of this size in the Aspen area would cost approximately $12,839,200 to develop. Potential revenue from the sale of both Category 4 deed restricted units and market rate units is anticipated to be approximately $8,463,000. Given these development assumptions this project would result in a net loss of $4,376,300 for a developer. The lack of financial incentive for this project indicates that a developer would likely not pursue this development scenario.

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13 Building footprint assumes a three-story development up to 32 feet in height.
100% Unit Replacement with Credits
The Multi-Family Replacement option of 100% unit replacement with credits is feasible under the maximum density development restrictions, however, the project is not financially viable based on the sale of deed restricted units and credits alone, assuming they are pegged to the existing Cash-in-Lieu rate.

Under this scenario a developer could replace the existing units with 12 category four (4) studio units and six (6) category three one-bedroom units. These units meet the code’s requirement for replacement of existing units. No free-market units would be built under this replacement option. Instead, the developer would receive credits equal to the number for Full Time Employees housed by a development of this size. For this project, a developer would receive 25.5 development credits.

The project’s total unit count would be 18 units and a total floor area of 11,220 square feet. The total development footprint, including both building floor area\textsuperscript{14} and parking is estimated to be 5,850 square feet, enabling the project to fit in the site while meeting the zones’ setback requirements.

It is estimated that project of this size in the Aspen area would cost approximately $12,454,200 to develop. Potential revenue from the sale of both category four and category three deed restricted units and credits is approximately $11,292,132. Given these development assumptions this project would result in a net loss of $1,162,068 for a developer. While not profitable on its own, this project could generate additional revenues through the sale of deed restricted units to local employers. These units would be sold to local employers at market price, however they would maintain their deed restriction and be used to house local employees. This strategy could be used to boost the profitability of a project and further incentivize local developers to pursue development using the credits system.

Test Scenario Four
This scenario is based on the redevelopment of a multi-family complex in the R-6 zone district. Multi-family units are not allowed uses in this zone district, which means that any redevelopment is limited to what exists today. The standard allowed height in the R-6 zone district is 25 feet and floor area is based on sizes for single family homes. The example assumes an existing development of 8 1-and 2-bedroom units ranging in size from 600 sq ft to 750 sq ft.

Scenario Four: Non-feasible Options
None of the redevelopment scenarios are feasible for this property given the zoning constraints. To see what might be possible, scenarios assuming floor areas allowing up to 1:1 were used. This lot is assumed to be approximately 24,000 sq ft to test how a large parcel might be developable under the Multi-Family Replacement program.

100% Unit Replacement
The Multi-Family Replacement option of 100% unit replacement is both feasible and financially viable, if a 1:1 FAR is assumed. Under this scenario a developer could replace the existing units with four (4) studio units and four (4) two-bedroom units at the RO category. This combination of units meets or exceeds the existing code’s requirement for replacement of existing units, total bedrooms, and net livable square feet. A developer could then potentially develop 8 free market studio units, the maximum allowable number under the 100% replacement option\textsuperscript{15}. Through Aspen’s 60%/70% affordable development processes, a developer could add an additional 24 units to this site. The project’s total unit count would be 39 units for a total floor area of 22,000 square feet. The total development footprint, including both building floor area\textsuperscript{16} and parking is estimated to be 18,020 square feet, enabling the project to fit in the site while meeting the required setbacks.

\textsuperscript{14} Building footprint assumes a two-story development up to 25 feet in height.
\textsuperscript{15} A developer could build additional units so long as they meet the requirements of the 60/70 percent affordable development requirements as defined by the GMOS chapter.
\textsuperscript{16} Building footprint assumes a three-story development up to 32 feet in height.
It is estimated that project of this size in the Aspen area would cost approximately $25,509,000 to develop. Potential revenue from the sale of the RO deed restricted units and market rate units is anticipated to be approximately $29,097,000. Given these development assumptions this project would result in a net profit of approximately $3,588,000 for a developer.

50% Unit Replacement
The Multi-Family Replacement option of 50% unit replacement is also feasible and financially viable, assuming an allowed FAR of 1:1. Under this scenario a developer could replace the existing units with two (2) category four one-bedroom units and two (2) category four two-bedroom units. This combination of units meets or exceeds the existing code’s requirement for replacement of existing units, total bedrooms, and net livable square feet. A developer could then develop eight (8) studio free market studio units, the maximum allowable number of units under the 50% replacement option17. Through Aspen’s 60%/70% affordable development processes, a developer could add an additional 30 units to this site. In addition to the four replaced category four units and the eight free market units, the developer could add 16 Category 4 (or lower) studio units, nine (9) one-bedroom RO units, and nine (9) one-bedroom free market units.

The project’s total unit count would be 46 units and a total floor area of 23,650 square feet. The total development footprint, including both building floor area18 and parking is estimated to be 20,105 square feet, enabling the project to fit in the site while meeting the zone’s setback requirements. It is estimated that project of this size in the Aspen area would cost approximately $27,384,500 to develop. Potential revenue from the sale of all units is anticipated to be approximately $28,305,000. Given these development assumptions this project would result in a net profit of $921,500 for a developer.

100% Unit Replacement with Credits
The Multi-Family Replacement option of 100% unit replacement with credits is feasible if an FAR of 1:1 is assumed, however, the project is not financially viable based on the sale of deed restricted units and credits alone, assuming they are pegged to the existing Cash-in-Lieu rate.

Under this scenario a developer could replace the existing units with 10 category four studio units, five (5) category four one-bedroom units, three (3) category four two-bedroom units, ten category three studio units, five (5) category three one-bedroom units, and three (3) category three two-bedroom units. These units meet the code’s requirement for replacement of existing units. No free-market units would be built under this replacement option. Instead, the developer would receive credits equal to the number for Full Time Employees housed by a development of this size. For this project, a developer would receive 56 development credits. The project’s total unit count would be 36 units and a total floor area of 24,640 square feet. The total development footprint, including both building floor area19 and parking is estimated to be 18,800 square feet, enabling the project to fit in the site while meeting the zones’ setback requirements.

It is estimated that project of this size in the Aspen area would cost approximately $27,350,400 to develop. Potential revenue from the sale of both category four and category three deed restricted units and credits is approximately $23,863,107. Given these development assumptions this project would result in a net loss of $3,487,293 for a developer. While not profitable on its own, this project could generate additional revenues through the sale of deed restricted units to local employers. These units would be sold to local employers at market price, however they would maintain their deed restriction and be used to house local employees. This strategy could be used to boost the profitability of a project and further incentivize local developers to pursue development using the credits system.

17 A developer could build additional units so long as they meet the requirements of the 60/70 percent affordable development requirements as defined by the GMOS chapter.
18 Building footprint assumes a three-story development up to 32 feet in height.
19 Building footprint assumes a two-story development up to 25 feet in height.
Exhibit B

ASPEN MULTI-FAMILY REPLACEMENT PROGRAM

PRESERVING AFFORDABLE AND ACCESSIBLE HOUSING FOR ALL OF ASPEN'S RESIDENTS.

WHAT IS THE MULTI-FAMILY REPLACEMENT PROGRAM?

The Multi-family Replacement Program is an Aspen City ordinance located in the Growth Management Quota System (GMQS) chapter of the City's Land Use Code that sets in place requirements for replacing any multi-family housing units within Aspen that are demolished.

WHAT IS THE PURPOSE OF THE PROGRAM?

The City's neighborhoods have traditionally comprised a mix of housing types, including those affordable by its working residents. However, because of Aspen's attractiveness as a resort environment and because of the City's physical constraints, there is constant pressure for the redevelopment of dwellings currently providing resident housing for tourist and second-home use. Such redevelopment results in the displacement of individuals and families who are an integral part of the Aspen workforce. Given the extremely high cost of and demand for market-rate housing, resident housing opportunities (or displaced working residents, which are now minimal, will continue to decrease.

As a result of the replacement of resident housing with second homes and tourist accommodations and the steady increase in the size of the workforce required to assure the continued viability of Aspen area businesses and the City's tourist-based economy, the City has found it necessary, in concert with other regulations, to adopt limitations on the combining, demolition or conversion of existing multi-family housing in order to minimize the displacement of working residents, to ensure that the private sector maintains its role in the provision of resident housing and to prevent a housing shortfall from occurring.

INTENT

The program is intended to prevent the loss of existing housing stock and increase the supply of affordable housing in Aspen.

ORIGIN

Aspen has had a Multi-family Replacement Program in place since 1988.

APPLICABILITY

Any time an existing multi-family unit is demolished, combined, or converted to another use, the developer is required to comply with this code section.

EXEMPTIONS

There are a number of exemptions to these requirements. The remodeling or expansion of existing multi-family residential units is exempt from the requirements of GMQS if no additional floor area is added and no demolition of the unit occurs.

Within the multi-family replacement section, the following activities are exempt from the requirements:

- Replacement after non-willful demolition
- Demolition by public agency
- Demolition of units that have never housed a local working resident
- Demolition of illegal Bandit Units
- Penetration of demising walls related to normal maintenance.
- Demolition work related to life safety that could not have been originally anticipated.

Updated as of March 2021.
KEY DEFINITIONS

RESIDENTIAL USES

**Free Market:** Dwelling units intended exclusively for residential purposes, not subject to any residency requirements and not including hotels or lodging.

**Affordable Housing:** Dwelling units intended to house only local working residents that are deed restricted according to the Aspen/Pitkin County Housing Authority Guidelines.

DEMOLITION

≥ 40%

To raze, disassemble, tear down or destroy forty percent (40%) or more of an existing structure (prior to commencing development).

Demolition also includes the removal of a dwelling unit in a multi-family or mixed-use building, its conversion to nonresidential use, or any action which penetrates demising walls or floors between Multi-Family Housing Units if such action is undertaken to combine the units.

TIMING REQUIREMENT

Any replacement units required to be deed-restricted as affordable housing shall be issued a certificate of occupancy according to the Building Department, and be available for occupancy at the same time as, or prior to, any redeveloped free-market units, regardless of whether the replacement units are built on site or off site.

DEED RESTRICTION

A contract entered into by the APCHA, City of Aspen, and/or Pitkin County and the developer, owner or purchaser of real property identifying the conditions of occupancy and resale as affordable housing.

RESIDENT OCCUPIED UNIT

The Resident Occupied (RO) category offers qualified higher income households the opportunity to own affordable housing. For RO ownership qualification, Maximum Household Gross Income Levels are unlimited, and the Maximum Household Net Assets Level is higher than other APCHA categories, or unlimited as stated in the applicable deed restriction.

CATEGORY UNITS

Category units refer to specific household income and AMI levels to provide lower and middle income households the opportunity to rent or own affordable housing.

FULL-TIME EQUIVALENTS

A unit of measurement standardizing the workloads of employees. In this Chapter, full-time equivalents (FTEs) refer to the number of employees generated or housed by development.

400 SF / EMPLOYEE CONVERSION

When an affordable housing mitigation requirement needs to be converted between FTEs and square feet, a conversion rate of 400 square feet (SF) per 1 FTE is used.

CERTIFICATES OF AFFORDABLE HOUSING CREDITS

The City has created incentives for private developers to create new housing product that is not tied to a mitigation requirement (Sec 25.540). This is done by providing a saleable certificate equal to the amount of full-time equivalents (FTEs) housed by affordable housing units they create. The affordable housing developer sells that certificate to another developer who needs to mitigate for the FTEs generated by their project.

APCHA HOUSEHOLD INCOME CATEGORIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Income Level</th>
<th>AMI Percentage Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td>Low-income</td>
<td>Below 50% AMI</td>
</tr>
<tr>
<td>Category 2</td>
<td>Lower moderate income</td>
<td>50% - 85% AMI</td>
</tr>
<tr>
<td>Category 3</td>
<td>Upper moderate income</td>
<td>85% - 120% AMI</td>
</tr>
<tr>
<td>Category 4</td>
<td>Middle income</td>
<td>120% - 205% AMI</td>
</tr>
<tr>
<td>Category 5 and RO</td>
<td>Upper middle income</td>
<td>120% - 240% AMI</td>
</tr>
</tbody>
</table>

FULL-TIME EQUIVALENTS HOUSED

Whenever a project provides residential units on or off site, this schedule shall be used to determine the number of employees housed by such units.

<table>
<thead>
<tr>
<th>UNIT TYPE</th>
<th>EMPLOYEES HOUSED</th>
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</thead>
<tbody>
<tr>
<td>Studio</td>
<td>1.25 Employees</td>
</tr>
<tr>
<td>One-bedroom</td>
<td>1.75 Employees</td>
</tr>
<tr>
<td>Two-bedroom</td>
<td>2.25 Employees</td>
</tr>
<tr>
<td>Three-bedroom or larger</td>
<td>3.0 Employees, plus .5 / each addl. bedroom</td>
</tr>
<tr>
<td>Dormitory</td>
<td>1.0 Employee per 150 SF of net livable area</td>
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</table>
HOW DOES THE PROGRAM WORK?

Aspen's Multi-Family Replacement Program offers four paths for replacing existing multi-family units that are demolished. Different paths are available to different redevelopment efforts depending on the existing status of the units that will be demolished. Below is a summary of the requirements and allowances offered in each of the four paths. Regardless of the replacement option selected, all development must meet all applicable requirements of the code, including zoning.

THREE PATHS FOR REPLACING EXISTING FREE MARKET UNITS

For existing Free Market residential units, there can be no net decrease in the number of overall units between the existing and proposed developments, and one of the following three options must be met:

100% REPLACEMENT WITH RESIDENT-OCCUPIED (OR LOWER) DEED RESTRICTION

When this option is selected, the development can also replace 100% of the existing units as Free Market without additional mitigation, resulting in a doubling of the density related to the development.

Additional Free Market units beyond the original number may be added subject to an additional GMQS Review requiring 60% - 70% affordable housing.

A developer would select this option to provide replacement units at the Resident Occupied (RO) category, while maintaining the existing Free Market (FM) density.

50% REPLACEMENT WITH CATEGORY 4 (OR LOWER) DEED RESTRICTION

When this option is selected, the development can also replace 100% of the existing units as Free Market without additional mitigation, resulting in a 50% increase in density.

Additional Free Market units beyond the original number may be added subject to an additional GMQS Review requiring 60% - 70% affordable housing.

A developer would select this option to provide replacement units at a Category 4 level, while maintaining the existing Free Market density.

100% REPLACEMENT WITH AFFORDABLE HOUSING (CREDITS)

This option requires that any additional development on-site also be deed restricted as affordable housing. All the units that are replaced or built new are eligible for a Certificate of Affordable Housing Credit, and any unused Free Market development rights are required to be vacated. This section only requires that the number of units be replaced and is silent regarding bedrooms and net livable area.

A developer would select this option in order to develop affordable housing credits that can be sold to other developers, or used for other projects in their portfolio.

EXAMPLES

Six existing Free Market (FM) units are demolished and replaced with six Resident Occupied (RO) deed restricted units.

Six existing Free Market (FM) units are demolished and replaced with three Category 4 deed restricted units.

Six existing Free Market (FM) units are demolished and replaced with six (or more) affordable housing (AH) deed restricted units.

[Diagram showing the examples]

Aspen Multi-Family Replacement Program
ONE PATH FOR REPLACING EXISTING AFFORDABLE HOUSING UNITS

100% REPLACEMENT OF HOUSING FOR THE SAME NUMBER OF EMPLOYEES HOUSED IN DEMOLISHED UNITS.

For existing affordable housing units, the replacement project must provide housing for the same number of employees (based on FTEs) housed by the existing units. The code allows a change in the number of units, bedrooms, and net livable area provided. There is no specific requirement related to the category of the replacement units.

EXAMPLE

Six existing affordable housing units housing twelve full-time employees (FTE) demolished and replaced with eight affordable housing units housing twelve FTEs.

WHERE CAN REPLACEMENT UNITS BE LOCATED?

In terms of the location for replacement units, the code includes a preference for on-site units. Units are required to be developed on the same site on which the demolition occurred unless the owner is able to demonstrate to the Planning and Zoning Commission that “replacement of the units on site would be in conflict with the parcel’s zoning or would be an inappropriate solution due to the site’s physical constraints.” If the Planning and Zoning Commission agrees that the replacement units cannot reasonably be located on-site, the developer can replace the units off-site or through the extinguishment of a Certificate of Affordable Housing Credit.

LINKAGES TO OTHER SECTIONS OF GROWTH MANAGEMENT

Both the 50% and 100% replacement options for Free Market multi-family residential units provide the option to develop additional Free Market housing through the 60% and 70% affordable development processes (See Sections 26.470.010(H-I)). These provisions allow additional Free Market units if affordable housing units are also provided. These requirements are as follows:

60% AFFORDABLE

60% of the additional units and 30% of the net floor area are required to be affordable housing at a Category 4 or lower.

EXAMPLES

If ten new units are proposed, six can be Free Market (FM) and four additional Category 4 (C4) units are required.

70% AFFORDABLE

70% of the additional units and bedrooms are required to be affordable housing. 40% of those housing units must be at a Category 4 or lower.

If ten new units are proposed, three can be Free Market (FM) units, while four are required to be Category 4 units (or lower) and three are required to be Resident Occupied (RO) units.

QUESTIONS?
PLEASE CONTACT US.

planneroftheday@gmail.com
970-429-2763

Aspen Multi-Family Replacement Program
For additional information, visit Chapter 26.470 of the City of Aspen Municipal Code
MEMORANDUM

TO: Mayor Torre and Aspen City Council
FROM: Chris Everson, Affordable Housing Project Manager
       Ben Anderson, Principal Long-Range Planner
THROUGH: Sara Ott, City Manager
       Scott Miller, Public Works Director
       Pete Strecker, Finance Director
       Phillip Supino, Community Development Director

MEMO DATE: September 11, 2020
MEETING DATE: September 15, 2020
RE: Future Planning for 150 Housing Fund Affordable Housing Policy Considerations

REQUEST OF COUNCIL: Staff is requesting that City Council consider the discussion items included and provide staff with direction for short- and long-term priorities for the 150 Housing Development Fund. Additionally, building on the discussion at the 9/14 work session, staff seeks policy direction for Council on the following:

- land banking vs development,
- debt vs. no debt (150 Fund bonding mechanisms),
- use of partnerships and other means of lowering burdens on the 150 Fund,
- prioritization of specific AH opportunities,
- maintenance of existing units relative to other 150 Fund priorities,
- potential alternative future revenue streams for AH.

Specific questions for Council include:

- Does Council wish to pursue the use of debt to support the existing 150 Fund revenue streams to maximize housing development in the short term?

- Does Council wish to consider the extension of the existing 1% Housing Real Estate Transfer Tax (Housing RETT) and the 0.45% Sales Tax past the 2040 sunset?

- Does Council wish to direct staff to set aside funds in 2022-2023 to facilitate potential future projects and/or ongoing care for the existing housing inventory?

- Does Council wish to direct staff to research and propose alternate revenue streams – whether reallocation or increase of existing revenue streams, or the creation of new revenue streams – for the 150 Fund to support land banking and affordable housing development?
SUMMARY AND BACKGROUND: The Burlingame Phase 3 project is currently scheduled for construction from 2021 through 2022, and Council has directed staff to prepare the Lumberyard project for construction beginning in 2024. The City of Aspen 150 Housing Development Fund has the capacity to support budgeting for the Burlingame Phase 3 project as a condominium ownership facility. But the 150 Fund needs to be planned for future uses to be best prepared for the Lumberyard, potential acquisition and land banking opportunities, and any other future housing development projects (or other initiatives related to maintaining existing housing inventory) which Council may be inclined to set up for the future of the affordable housing program.

DISCUSSION: Council has expressed interest in issuing debt to augment 150 Fund revenues which could be used to accelerate the creation of more affordable housing. If Burlingame 3 is to be completed by mid-2022 and then if construction on the Lumberyard is to begin in 2024, it appears necessary to issue debt to facilitate this sequencing. Additionally, it also appears that, even if City Council does choose to issue debt to support the Lumberyard construction start in 2024, the size of the first phase of the Lumberyard will need to be limited. Staff has recently analyzed the capacity of the 150 Fund and has developed the following fund management scenarios described below.

150 Fund Cash Flow Scenarios

Staff has included three cash flow scenario models for the 150 Fund as listed below. Each of the three scenarios described below includes a debt issuance of $50 million leading up to a 2024 Lumberyard construction start.

---

Scenario A: Build Burlingame 3 in 2021-2022, and build Lumberyard as one big phase in 2024-2026, include no Future/Other projects.

Please see the attached exhibits for a larger format version of the above cash flow model.

In Scenario A, the City of Aspen would budget $50 million across 2021 and 2022 to build 79 new units at Burlingame 3. The sale of those units in late 2022 and early 2023 is
expected to provide approximately $20 million in revenues back to the 150 Fund. By the end of 2023, the remaining balance in the 150 Fund is projected to be over $20 million.

Council’s most recent direction on the Lumberyard is to plan for some 300+ units with construction starting in 2024. But Scenario A demonstrates that, even with the issuance of $50 million in debt proceeds leading up to 2024, the Lumberyard project cannot be completed as one big phase of some 300+ units in 2024-2026. As per the exhibit shown, attempting to do so would cause the balance of the 150 Fund to run negative beginning near the end of 2025. This leads staff to the following conclusions related to Scenario A:

- A 2023 ending fund balance of approximately $20 million is not enough to begin construction on a significant portion of the Lumberyard project in 2024

- To facilitate a 2024 construction start for a significant portion of the Lumberyard project, it will be necessary to issue debt leading up to 2024

- Construction of the Lumberyard project will need to be phased based on available funds, including debt proceeds

---

**Scenario B:** Build Burlingame 3 in 2021-2022, and build Lumberyard as one big phase in 2024-2026, include Future/Other projects

As prior City Councils have demonstrated, it is important to consider both short- and long-term goals of the affordable housing program. Development approval for Burlingame 3 was put in place 9 years ago, and a large portion of the Lumberyard property was purchased in 2008. Those actions by prior City Councils to facilitate future projects were performed at the expense of short-term activities and were executed in good faith that a future Council would follow through with those plans.
Since Scenario A shown above does not include any Council actions to facilitate future projects beyond Burlingame 3 and the Lumberyard, nor does Scenario A consider ongoing care for the existing housing inventory, Scenario B was created to measure the extent to which the fund might be worse off if the 2023 fund balance of approximately $20 million were put to use for potential future projects and/or ongoing care for the existing housing inventory.

In Scenario B, $20 million is set aside in 2022-2023 to facilitate potential future projects and/or ongoing care for the existing housing inventory. Scenario B leads staff to once again conclude that it will be necessary to issue debt leading up to a phased 2024 Lumberyard construction start and to additionally conclude that the 150 Fund is not prohibitively worse off by using the short-term fund balance for potential future projects or ongoing care for the existing housing inventory.

What those potential future projects or ongoing care for the existing housing inventory might be is described in the discussion further below.

---

**Scenario C:** Build Burlingame 3 in 2021-2022, and phase the Lumberyard construction in 2024-2026 and 2028-2030, also accommodate Future/Other projects

![Graph showing the cash flow model](image)

**Please see the attached exhibits for a larger format version of the above cash flow model.**

Scenario C was created based on the conclusions described to this point and is the approach recommended by staff for Council to accomplish its stated goals. Under Scenario C, the 150 Fund would be managed to facilitate the following:

- Burlingame 3 would be completed in 2022 as an affordable condominium ownership project with 79 units

- $20 million of projected fund balance is set aside in 2022-2023 to facilitate potential future projects and/or ongoing care for the existing housing inventory
• Approximately $50 million in debt proceeds is issued leading up to a phased approach to the construction of the Lumberyard in 2024

• Construction of the Lumberyard is phased in roughly two halves, the first half constructed in 2024-2026, second half in 2028-2030

Although the Scenario C diagram shows a negative fund balance occurring at the end of 2030, by that time we would have a chance to see the annual revenue collections in the years leading up to 2028-2030 and determine whether or not the final phase of the Lumberyard would need to be pushed out by another year or two to keep the fund positive.

Due to the need for staff to project fund revenues in a relatively conservative fashion, the 150 Fund revenue sources often outperform staff projections, and the negative fund balance in 2030 may not occur as shown and may not require the need to delay the second half of the Lumberyard phasing.

Given the realities of the scenarios described above, staff seeks direction from Council on how to balance the phasing of the Lumberyard with other AH priorities, including land banking, additional development projects, and other potential uses of the 150 Fund? (See Exhibit B for a score card in helping to guide prioritization).

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**Ongoing care for the existing housing inventory**

The ongoing health of the City’s affordable housing program must consider both short-term production of new affordable housing as well as long-term considerations, such as upkeep of the existing affordable housing inventory, deed restriction sunsets, and future production of new affordable housing. It is common for City Council to engage in numerous different facets of the ongoing timeline of the affordable housing program. While the creation of additional inventory is a stated goal of this Council, the maintenance requirements and potential loss of existing units is a matter of concern for staff and the future balance of the 150 Fund.

**Potential future projects**

Under the recommended Scenario C described above, the objective of setting aside some $20 million for short-term investment in potential future projects would be to provide Council the opportunity and flexibility to effectively “tee up” a project (or projects) for a future Council to execute. This would require Council to balance current and future affordable housing needs, i.e. balancing the desire to produce affordable housing sooner versus producing some affordable housing sooner and making investments to ensure that the City can also produce more affordable housing in the future.

With Burlingame 3 and the Lumberyard currently being pursued, it is also important for Council to consider investing available funds (around $20 million in 2022-2023 in this case) toward some “Future/Other Projects”. As directed, staff has continued to have
occasional, and in some cases ongoing, check-ins and conversations about each of the following types of opportunities, some of which could become more viable for potential investment in the coming years:

<table>
<thead>
<tr>
<th>150 Fund – Competing Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved current projects</td>
</tr>
<tr>
<td>Approved future projects</td>
</tr>
</tbody>
</table>
| Potential future projects      | • land banking for future projects  
|                                | • housing development partnerships 
|                                | • redevelopment with increased density at existing properties (Truscott 200-300, Truscott 100, Marolt) |
| Ongoing care for existing inventory | • capital reserves / maintenance 
|                                    | • preservation of deed restrictions 
|                                    | • downsizing incentives program |

**Potential Bond Financing**

In the event that Council wishes to prepare to issue debt as described, it may be necessary to extend the existing 150 Fund revenues sources to facilitate coverage of the debt service through the necessary bond term (potentially through 2054).

On November 4, 2008, City of Aspen voters voted in favor of extending the existing housing 1% Real Estate Transfer Tax and 0.45% housing and daycare sales tax through 2040.

The 2008 ballot initiative was originally intended to support a bond debt issuance of nearly $100 million to construct housing at Burlingame Phase 2 and at 488 Castle Creek, both of which were later constructed without the use of debt, but at a slower pace to allow existing 150 Fund cash flows to support those projects without the use of debt.

Staff seeks direction from Council as to whether the 2040 RETT and 0.45% Sales Tax sunset ought to be extended to lower annual debt service repayment costs.

**Augmentation of 150 Fund Revenue Streams**

Whether or not Council wishes to prepare for the debt issuance described above, Council may consider directing staff to research and propose augmentation of recurring 150 Fund revenue streams. Options remain to be determined and may include alternatives such as:
- Repurposing the Wheeler portion of the RETT to be used for housing,
- Adjustment to the existing 45% of the 0.45% sales tax dedicated to housing¹,
- Introduction of additional taxes or potential other revenue streams.

Does Council wish to direct staff to research and propose alternate revenue streams – whether reallocation of existing revenue streams or the creation of new revenue streams – for the 150 Fund for the creation of more affordable housing?

**FINANCIAL IMPACTS:** Included in discussion

**ALTERNATIVES:** Numerous alternatives could be considered, such as:

- Council could reject the idea of setting aside $20 million in 2022-2023 to facilitate potential future projects and/or ongoing care for the existing housing inventory and could instead combine the $20 million with approximately $50 million in debt proceeds to be issued leading up to 2024 to facilitate a larger initial phase of the Lumberyard

- Council could reject the proposed use of debt leading up to a phased Lumberyard construction starting in 2024 and could instead take a ‘wait and see’ approach as to whether the projected 2023 fund balance of $20 million is outperformed by the existing 150 Fund revenue streams.

- Council could reject the proposed use of debt leading up to a phased Lumberyard construction starting in 2024, and could instead direct staff to research the possibilities around potentially augmenting the existing 150 Fund revenue streams, whether reallocation of existing revenue streams or the creation of new revenue streams.

**RECOMMENDATIONS:**

- Staff recommends that Council consider utilizing the approach described above in Scenario C along with any potential variations which Council may wish to include in their direction.

- Staff recommends Council provide policy direction on the priorities of land banking and development of additional units.

- Staff recommends Council direct staff to develop plans for the use of 150 Fund dollars to ensure the maintenance of existing AH stock. Staff also recommends Council consider financial and regulatory remedies for the sunsetting of existing deed restrictions.

**CITY MANAGER COMMENTS:**

**EXHIBITS:**

Exhibit A – Presentation slides including 150 Fund Cash Flow Scenario Diagrams

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¹ A portion of this tax goes to Kid's First. Adjustments to the allocation of this tax toward the 150 Fund without increasing the overall tax rate would be at the expense of the Kid's First Fund.
Future Planning for 150 Housing Development Fund

Exhibit A - Presentation Slides

September 15, 2020
Background

• Burlingame Phase 3 is currently scheduled for construction from March 2021 to September 2022

• Council has directed staff to prepare the Lumberyard for construction beginning in 2024

• The 150 Housing Development Fund does have capacity to support budgeting for the Burlingame Phase 3 project as a condominium ownership facility

• The 150 Fund needs to be planned to be best prepared for the Lumberyard and any other future affordable housing-related investments which Council may be inclined to make
Discussion

150 Fund Cash Flow Scenario A: Build Burlingame 3 in 2021-2022, and build Lumberyard as one big phase in 2024-2026, include no Future/Other projects.

<table>
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<tr>
<th>Scenario A - New Units Available</th>
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<th>2023</th>
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Scenario A, Burlingame 3 in 2021-2022, Lumberyard Single Phase 2024-2026, No Other projects

- Burlingame 3 - 81 Units
- Lumberyard - 300 Units
- 2025 Negative Fund Balance
- NO OTHER PROJECTS
- $50 Million Debt Issuance
- Change in Fund Balance
- Ending Fund Balance
Discussion

150 Fund Cash Flow Scenario A: Build Burlingame 3 in 2021-2022, and build Lumberyard as one big phase in 2024-2026, include no Future/Other projects.

Conclusions:

- A 2023 ending fund balance of approximately $20 million is not enough to begin construction on a significant portion of the Lumberyard project in 2024
- To facilitate a 2024 construction start for a significant portion of the Lumberyard project, it will be necessary to issue debt leading up to 2024
- Construction of the Lumberyard project will need to be phased based on available funds, including debt proceeds
# Discussion

**150 Fund Cash Flow Scenario B:** Build Burlingame 3 in 2021-2022, and build Lumberyard as one big phase in 2024-2026, include Future/Other projects

<table>
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<th>Scenario B - New Units Available</th>
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**Scenario B, Burlingame3 in 2021-2022, Lumberyard Single Phase 2024-2026, +$20 Million for Other projects**

- **2025 Negative Fund Balance**
- **$20M OTHER PROJECTS**
- **$50 Million Debt Issuance**
- **Burlingame3 - 81 Units**
- **Lumberyard - 300 Units**

*City of Aspen Budget*

*150 - Housing Development Fund*

As of 8/24/2020
Discussion

150 Fund Cash Flow Scenario B: Build Burlingame 3 in 2021-2022, and build Lumberyard as one big phase in 2024-2026, include Future/Other projects

Conclusions:

- The 150 Fund is not prohibitively worse off by using the short-term fund balance for potential future projects
### Discussion

**150 Fund Cash Flow Scenario C:** Build Burlingame 3 in 2021-2022, and phase the Lumberyard construction in 2024-2026 and 2028-2030, also accommodate Future/Other projects

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**Scenario C, Burlingame3 in 2021-2022, Phased Lumberyard 2024-2025, 2028-2030, + $20 Million for Other projects**

- Burlingame 3 - 81 Units
- Lumberyard - 140 Units
- Lumberyard - 160 Units
- $20M OTHER PROJECTS
- $50 Million Debt Issuance
- 2030 Negative Fund Balance

---

**City of Aspen Budget**

110 - Housing Development Fund

As of 8/24/2020
Discussion

150 Fund Cash Flow Scenario C: Build Burlingame 3 in 2021-2022, and phase the Lumberyard construction in 2024-2026 and 2028-2030, also accommodate Future/Other projects

Scenario C is recommended and would facilitate the following:

• Burlingame 3 would be completed in 2022 as an affordable condominium ownership project with 79 units

• $20 million of projected fund balance is set aside in 2022-2023 to facilitate potential future projects and/or ongoing care for the existing housing inventory

• Approximately $50 million in debt proceeds is issued leading up to a phased approach to the construction of the Lumberyard in 2024

• Construction of the Lumberyard is phased in roughly two halves, the first half constructed in 2024-2026, second half in 2028-2030
Questions for Council

- Does Council wish to pursue the use of debt to support the existing 150 Fund revenue streams to maximize housing development?

- Does Council wish to consider the extension of the existing 1% Housing Real Estate Transfer Tax (Housing RETT) and the 0.45% Sales Tax past the 2040 sunset?

- Does Council wish to direct staff to set aside funds in 2022-2023 to facilitate potential future projects and/or ongoing care for the existing housing inventory?

- Does Council wish to direct staff to research and propose alternate revenue streams – whether reallocation or increase of existing revenue streams, or the creation of new revenue streams – for the 150 Fund to support land banking and affordable housing development?
MEMORANDUM

TO: Mayor and Council Members

FROM: Chris Everson, Affordable Housing Project Manager

THROUGH: Rob Schober, Capital Asset Director

MEMO DATE: July 13, 2021

MEETING DATE: Update Only

RE: Progress Update, 2021 Scope of Work, Lumberyard Affordable Housing Development

REQUEST OF COUNCIL: Update only

BACKGROUND: At a work session on March 8, 2021, Council directed staff to perform the following scope of work as we move forward in 2021:

1) Issue an RFP for a full architecture and engineering (AE) design team and retain DHM Design as project planner to assemble the land use entitlements application.

2) Have the AE design team perform a parking alternatives analysis, once contracted.

3) Update the City’s housing needs study, including income level and household size detail, and have this delivered jointly by DHM Design and Economic & Planning Systems, Inc. (EPS).

4) Issue an RFQ for public/private partnership housing development interest and financing opportunities, to be issued at a point when the AE design team has gotten sufficiently through the schematic design process to enable staff to better describe the project in the RFQ.

The status of each item is discussed below.

DISCUSSION:

1) **Issue an RFP for a full architecture and engineering (AE) design team and retain DHM Design as project planner to assemble the land use entitlements application.**

The attached RFP was issued on April 19, 2021. The RFP was posted to the BidNet Direct website as is the City’s procurement policy. The RFP was advertised from Grand Junction to Denver, was posted on numerous industry websites, and was additionally sent directly to a long list of architecture firms near and far. A pre-bid conference was held on April 23, 2021, which was attended by 40+ individuals from a variety of interested organizations.

Seven proposals were received on May 27, 2021. At the time, the goal was to present a contract to Aspen City Council before the end of June.
Staff was directed to evaluate the proposals internally, and the evaluation team consists of the following City of Aspen staff members:

- Scott Miller, Public Works Director
- Rob Schober, Capital Asset Director
- Jeff Pendarvis, Assistant Capital Asset Director
- Jen Phelan, Development Manager
- Chris Everson, Senior Affordable Housing Development Project Manager
- Asal Vojdani, Procurement Officer

The evaluation process is currently ongoing, and staff expects to present a recommended contract for Council’s consent on July 27, 2021. As part of the packet for the July 27 Council meeting, Council will receive a full list of candidate design teams who submitted a proposal and were evaluated and a comprehensive rationale for the systematic narrowing of candidates and a final selection. In the meantime, below is a brief summary of the evaluation team’s work to date:

**Evaluation Team Conference #1, June 2, 2021:** General discussion of proposals after initial reading of approximate total of 440 pages. Some discussion of process moving forward. No specific action was taken at the meeting.

**Evaluation Team Conference #2, June 10, 2021:** Two of the team members submitted evaluation scoring sheets including rationale notes among the topics of qualifications, experience, expertise, proposed hours and fees, schedule, contract terms and insurance. The team discussed the process moving forward in more detail. Further action was postponed to give the remainder of the team adequate time to complete evaluation scoring sheets.

**Evaluation Team Conference #3, June 15, 2021:** Evaluation scoring sheets were aggregated from all evaluation team members. Aggregate initial rankings were assembled and reviewed by the team. After discussion, the evaluation team unanimously agreed that four of the seven proposals were from qualified teams who had submitted 100% of the information which the RFP had requested. And that the remaining three proposals were from qualified teams who had omitted information which the RFP had requested. The evaluation team unanimously agreed to continue to evaluate the four complete proposals and to drop the three incomplete submittals from consideration. Due to the high quality of the four remaining proposals, the evaluation team was unable to select ‘finalists’ at this stage and instead unanimously agreed to interview all of the remaining four candidate design teams.

**Interviews were conducted all day on June 25, 2021.** The interviews were held in person in Council Chambers and included a virtual conference as well. The virtual conferences were recorded for the City’s records. The interviews consisted of a 45-minute presentation from each candidate design team, followed by a 45-minute question-and-answer session which utilized both pre-determined questions as well as ad-hoc questions from the City’s evaluation team. At the end of the interviews, the evaluation team established a goal to follow-up by submitting their written
rationale for which teams to continue to move forward with and which teams to drop from further consideration.

**Evaluation Team Conference #4, June 30, 2021:** After discussing each of staff’s written rationales about which teams to continue to move forward with and which teams to drop from further consideration, the team unanimously agreed to drop one of the four remaining candidate design teams because their estimated hours and fees to perform the requested scope of work were nearly 4.5 times that of the remaining low bidder and nearly 2 times those of the next highest bidder. During their interview, this candidate design team stated that they were ‘very confident’ in their proposed hours and fees, and when they were asked whether they would be willing to guarantee their fees as ‘not to exceed’, they declined to do so - whereas some other remaining firms with lower proposed fees had shown a willingness to guarantee some parts of their fees as ‘not to exceed’.

The evaluation team also unanimously agreed to drop the next highest bidder from further consideration as well. This candidate team was the remaining high bidder (although in a more reasonable range) and were also unable to guarantee any parts of their fee as ‘not to exceed’. The evaluation team also had some concerns about the proposed structure of this candidate team.

The evaluation team also unanimously agreed to craft further clarifying questions for the two remaining candidate design teams - with specific concerns raised about their proposals by the members of the evaluation team.

**July 6, 2021:** Letters were sent to the two remaining candidate design teams which included specific concerns raised about their proposal by the members of the evaluation team, prompting them to provide a written response for addressing the concerns raised.

**July 9, 2021:** Thorough written responses were received from the two remaining candidate design teams. The responses were distributed to the evaluation team for their review.

**Evaluation Team Conference #5, July 12, 2021:** Upon review of the responses from the two remaining candidates, the evaluation team unanimously agreed to move forward with the low bidder of the two remaining candidate teams by requesting that the ‘leading’ candidate team re-submit updated versions of their proposed tables of rates, hours and fees to include augmentation of their team as they had suggested that they could in their July 9 response to the concerns specified by the evaluation team in the July 6 letter. This ‘leading’ candidate team was also asked to reconsider and re-state which portions of the scope for which they were willing to guarantee their fees as ‘not to exceed’.

**July 13, 2021** (date of this memo): The ‘leading’ candidate team was notified in writing of the request and has agreed to provide the requested response by July 14, 2021. Upon receipt, evaluation team staff will review and decide whether the updated proposal is appropriate for inserting into a contract and presenting the proposed contract to City Council with a recommendation to approve. The template contract was included with the RFP, and the ‘leading’ candidate team has indicated in writing that they will accept the contract terms upon award. The packet is required to be submitted on July 19, 2021, as required for Council Consent on July 27, 2021.
2) **Have the AE design team perform a parking alternatives analysis, once contracted.**

The scope of work outlined in the attached RFP does not instruct the AE design team to move forward into schematic design with the prior conceptual masterplan design for the Lumberyard. Instead, the scope of work includes first addressing concerns which were raised by Council in November 2020 about the prior conceptual masterplan design for the Lumberyard. Of those, the use of 100% underground parking is one, and the scope of work requests that a parking alternatives analysis be taken up as one of the first items of work. The requested scope is summarized below:

**Use of 100% underground parking – Parking Alternatives Analysis:** The parking issue is a fundamental, threshold question, one which could potentially drive considerable redesign. The parking alternatives analysis should be one of the first steps to be performed by the AE design team as part of the schematic design process. To do this, alternative site plan possibilities should be examined. The parking alternatives analysis should include visual site plan layout representation of each alternative and an excavation study including excavation quantities and disposition options and should compare initial cost and ongoing maintenance cost. Automobile circulation, open site landscape area and potential conflict areas should be highlighted to convey livability impacts. It will be necessary to present the findings of the parking alternatives analysis to Aspen City Council.

The AE Design team will include expert parking consultation with familiarity to Aspen and will evaluate three or more alternatives to 100% underground parking. The schematic design scope of work also includes community outreach which will be used to demonstrate the parking alternatives to the community and to seek feedback on the topic. The ongoing project design will be highly dependent on the outcome of the parking alternatives analysis.

The schedule for this work is intended to begin upon execution of the AE design team contract and to progress through the end of 2021 along with the balance of the schematic design scope. By that time, we anticipate having begun to assemble the land use entitlements application, which will be submitted for Council’s review and approval concurrent with the completion of the schematic design process.

To prepare for the land use entitlements process in 2022, the design development (DD) design stage will proceed before, during and after the land use public hearing process - so as to appropriately support the land use public hearing process. Our schedule anticipates completion of the DD design stage and recording of the approved planned development (PD) by end of 2022.

By this time, considerably more work will have been vetted as it relates to implementation phasing, resource planning and any private development partnerships for implementing some or all portions of the further-developed phasing plan. This leaves construction documentation and building permit applications to be completed in 2023, to prepare for a first phase construction start (whatever that may end up looking like) potentially in 2024.
3) **Update the City’s housing needs study, including income level and household size detail, and have this delivered jointly by DHM Design and Economic & Planning Systems, Inc. (EPS).**

On June 22, 2021, Council approved a $60,000.00 contract extension with DHM Design which begins the process of transitioning DHM Design to project planner by beginning with land use pre-application support services and to enable DHM to commission and manage the production of the update to the City’s affordable housing needs study.

This approach allows DHM Design and EPS to work together to focus their historical knowledge and ongoing effort seamlessly, and the scope of the updated housing needs study is designed to include a high level of detail, with income level distribution and household size information.

This work is underway with EPS, and we expect to see a draft of the results by mid-August. When completed, the report will be presented to City Council, and can be used as a guiding document for updating the housing program for the Lumberyard schematic design process.

4) **Issue an RFQ for public/private partnership housing development interest and financing opportunities, to be issued at a point when the AE design team has gotten sufficiently through the schematic design process to enable staff to better describe the project in the RFQ.**

When the AE design team has gotten sufficiently through the schematic design process to enable staff to better describe the project, staff proposes to draft and issue a request for qualifications (RFQ) for public/private partnership housing development interest and financing opportunities to aid with implementation.

Due to the importance, scale and location of the Lumberyard project – and consistent with prior discussions about this topic at Council work sessions and a majority of the opinions at the Council table – staff is continuing to recommend that City Council should maintain control of the design process to first establish baseline community expectations for the eventual design of the Lumberyard facilities prior to procuring private development partners to help with implementation.

Once the baseline community expectation in terms of the facilities to be produced and the housing need to be fulfilled is more defined, an RFQ (and potential subsequent RFP) can provide a means for soliciting for qualified private developers to propose implementation plans which the City could partner on.

Staff has received inquiries from, and has had discussions with, some private developers who have reached out to express interest in this process. In those discussions, staff has expressed that designing the Lumberyard facilities in a manner that meets community expectations is of the highest priority at this time, and a concern about attempting to bring on private development partners without yet knowing what the community-vetted design of the Lumberyard facility and the housing need which will be fulfilled will turn out to be.

If there were more slack in the schedule, we could consider a pause after the schematic design process to procure development partnerships. But without any slack in the schedule, it may make
more sense to proceed directly to the land use approval process and then later make modifications as needed to the PD to incorporate any implementation modifications which a (potentially selected) private developer may need include in their approach. Either sequence would allow Council to compare baseline community expectations to any developer proposals which may be considered for public/private partnership as we prepare for implementation.

Also, staff has recently considered the notion of bringing on a development consultant to work with the project team to incorporate any expert recommendations which could encourage private development participation in the implementation of the project when appropriate.

PROJECT SCHEDULE: Although any implementation phasing for the project requires further study, the current basic planning timeline for the project is shown below:

2019  Community Outreach
2020  Community Outreach, Conceptual Design
2021  Schematic Design, Land Use Application Preparation
2022  Land Use Application Submittal and Approval Process, Design Development, PD
2023  Construction Documents, Building Permit Application Process
2024  Construction Begins

FINANCIAL IMPACTS: Staff will be able to provide an update to the 2021 budget and expenses when the AE design team contract is brought forward for approval on July 27, 2021.

Staff is also working on a follow-up to Council’s September 15, 2020 work session on the overall capacity of the 150 Housing Fund, including an updated look at resource planning to prepare for discussions on prioritization and implementation phasing for affordable housing developments in process.

RECOMMENDATIONS: Update only

CITY MANAGER COMMENTS: _____________________________

EXHIBITS: Exhibit A: Request for Proposals: 2021-150 Architecture & Engineering Design Team for the “Lumberyard” Affordable Housing Development
REQUEST FOR PROPOSALS

Architecture & Engineering Design Team
for the
“Lumberyard” Affordable Housing Development
2021-150

CITY OF ASPEN, COLORADO

City of Aspen
130 South Galena Street
Aspen, CO 81611
(970)920-5000
www.cityofaspen.com

Date Issued: April 19, 2021
Proposals Due: May 27, 2021, 2:00PM MDT
REQUEST FOR PROPOSALS

Sealed proposals will be received at the City of Aspen Purchasing office, through the Bidnet Direct website (www.bidnetdirect.com) until 2:00pm (MDT), May 27, 2021, at which time the proposals will be opened and reviewed, for the following City of Aspen project: 2021-150 Architecture & Engineering Design Team for the “Lumberyard” Affordable Housing Development.

The City of Aspen (“City”) has begun a design process for a large-scale affordable housing development at City-owned property in Aspen and Pitkin County, Colorado (“Project”). To this point, three rounds of community outreach have been completed, and a conceptual master plan has been developed. This Request for Proposals (“RFP”) seeks proposals for Architecture & Engineering (“A&E”) Design team services for the remainder of the City’s role in developing the Project.

As currently conceived, the Project includes but may not be limited to development of 310 units of affordable housing in numerous multifamily buildings on four adjacent City-owned properties totaling 10.5 acres. Design considerations include further program development and sensitivities related to density, height and massing along with additional characteristics such as landscape area, traffic and parking, neighborhood character, noise and air quality, energy efficiency & sustainability, childcare, implementation phasing and community uptake.

There will be a pre-bid conference at 10:00AM on April 23, 2021. Complete RFP documents are available to download at www.bidnetdirect.com. Candidates must be registered to view the bid packages. There is no fee to register. Call 1-800-835-4603 if you need assistance registering. Proposals must be submitted by uploading to the Bidnet Direct website.

The City reserves the right to reject any or all Proposals or accept what is, in its judgment, the Proposal which is in the City’s best interest. The City further reserves the right, in the best interests of the City, to accept a late submittal or to waive any technical defects or irregularities in any and all Proposals submitted.

Pursuant to the Colorado Open Records Act, C.R.S. Section 24-72-200.1 (CORA), any and all of the documents that are submitted to the City of Aspen may be deemed public records subject to examination and inspection by third parties. The City of Aspen reserves the right, at its sole discretion, to release for inspection or copying any document, plan, specification, proposal or other writing submitted pursuant to this request. Candidates should identify any portion of their proposals which they consider confidential.

Discussion may be conducted with responsible Offerors who submit Proposals determined to be reasonably susceptible to be selected for award for purpose of clarification to assure full understanding of, and responsiveness to the solicitation requirements.

In addition to price, the evaluation criteria set forth in the RFP shall be considered in judging which Proposal is in the best interests of the City.

City of Aspen
130 South Galena Street
Aspen, CO 81611
# TABLE OF CONTENTS

1.0 INTRODUCTION .................................................................................................................. 3  
   1.1 INVITATION TO PROPOSERS ......................................................................................... 3

2.0 PROJECT DESCRIPTION ..................................................................................................... 4  
   2.1 PROCESS SUMMARY ..................................................................................................... 4
   2.2 PROJECT SITE .............................................................................................................. 5
   2.3 PROJECT INTRODUCTION ............................................................................................. 6
   2.4 CURRENT PROGRESS .................................................................................................. 7
   2.5 TECHNICAL STUDIES .................................................................................................. 8

3.0 SCOPE OF SERVICES ......................................................................................................... 9  
   3.1 PART 1: CUSTOMIZED SCHEMATIC DESIGN ................................................................. 9
   3.2 PART 2: SUPPORTING THE LAND USE ENTITLEMENTS APPLICATION .................. 16
   3.3 PART 3: DESIGN DEVELOPMENT ................................................................................. 17
   3.4 PART 4: SUPPORTING THE LAND USE ENTITLEMENTS PROJECT REVIEW PROCESS 18
   3.5 PART 5: PLANNED DEVELOPMENT DOCUMENTATION ............................................ 19
   3.6 PART 6: CONSTRUCTION DOCUMENTS ..................................................................... 19
   3.7 PART 7: SUPPORTING THE BUILDING PERMIT APPLICATION PROCESS ............... 21
   3.8 PART 8: CONSTRUCTION ADMINISTRATION ............................................................... 21
   3.9 PART 9: PROJECT CLOSEOUT AND WARRANTY SUPPORT ....................................... 24

4.0 RFP PROCESS ................................................................................................................... 25  
   4.1 QUESTIONS .................................................................................................................. 25
   4.2 RFP SCHEDULE ........................................................................................................... 25
   4.3 PROPOSAL SUBMISSION AND FORMAT ..................................................................... 26
   4.5 EVALUATION CRITERIA ............................................................................................... 26

5.0 PROPOSAL CONTENT AND FORMAT .............................................................................. 26  
   5.1 LEAD FIRM AND TEAM QUALIFICATIONS ................................................................. 26
   5.2 RELEVANT PROJECT EXPERIENCE .......................................................................... 27
   5.3 ADDITIONAL EXPERTISE SOUGHT .......................................................................... 28
   5.4 PROPOSED HOURLY RATES, HOURS AND FEES, SCHEDULE, CONTRACT, INSURANCE 28

6.0 ADDITIONAL REQUIREMENTS ....................................................................................... 29  
   6.1 CONTRACT ................................................................................................................... 29
   6.2 INSURANCE .................................................................................................................. 29
   6.3 INTERESTS OF THE CITY OF ASPEN ......................................................................... 30
   6.4 CONFIDENTIALITY ...................................................................................................... 30

7.0 LIST OF ATTACHMENTS ..................................................................................................... 30

2021-150 Architecture & Engineering Design Team for the “Lumberyard” Affordable Housing Development  
April 19, 2021
1.0 INTRODUCTION

A thriving workforce who live in the community where they work is a fundamental cornerstone of the year-round Aspen-area community. But the gap between free market home prices and rents in the Aspen area as compared to what local workers can afford to pay still precludes many local workers from living in the community where they work. Planning for new affordable workforce housing is necessary not only to offset the effects of job growth and retirement, but also to offset the loss of workforce housing in the free market due to luxury redevelopment and conversion of long-term local rentals to short-term luxury rentals.

The City of Aspen is committed to supporting affordable workforce housing because it supports a stable local community that is invested in the present and the future. Opportunities for people to live in the community where they work foster improved year-round vitality in Aspen’s neighborhoods, a more resilient local economy, reduced transportation impacts, increased citizen participation in civic affairs, non-profit activities and recreation programs. In turn, this adds value to Aspen’s tourism-based economy in the form of an overall improved visitor experience – enhanced by an appreciation of Aspen’s genuine, year-round, lights-on community and diverse mix of people – which contributes to visitors returning to the Aspen area year after year.

1.1 INVITATION TO PROPOSERS

The purpose of this Request for Proposals (RFP) is to solicit proposals for Architecture & Engineering ("A&E") Design team services for the remainder of the City’s role in developing the Project.

The Project will be a multi-year effort, and the City of Aspen may remain the developer of the Project (or portions of the Project), or the City may enter into agreements with (a) private developer(s) who may ultimately implement the Project (or portions of the Project).

The initial contract award for this RFP will include only Part 1 as described in Section 3.0 Scope of Services. Additional portions of scope are anticipated to be added as additional services as the project moves forward.

To allow the City of Aspen (Owner) to fully understand your firm or team’s qualifications, experience, capabilities and approach to the Project, please prepare and submit a detailed proposal based on the requirements set forth in this RFP.
2.0 PROJECT DESCRIPTION

2.1 PROCESS SUMMARY

Beginning June 2019, the goal of the lumberyard conceptual master plan effort was to create community-vetted conceptual design alternatives for the development of affordable housing at the City's 10.5-acre lumberyard property. An initial round of community outreach occurred fall 2019, and a second round occurred in early 2020. At an Aspen City Council ("Council") work session in July 2020, the project team presented its initial conceptual master plan options, and Council provided the team with direction for plan refinements aiming toward 300+ units.

The team later presented preliminary results of the third round of community outreach in October 2020, and Council agreed directionally to pursue underground parking, some four-story massing in key areas, increasing the number of 1- and 2-bedroom units, an increase to the amount of ownership units, including childcare on site, allowing the adjacent Aspen Airport Business Center ("AABC") to provide commercial services via free market opportunities, and paring back a proposed co-living portion of the project - all while maintaining 300+ units on the site.

The project team subsequently presented the final results of the third round of community outreach in November 2020 along with a refined 310-unit conceptual master plan, and Council expressed trepidation about numerous characteristics of the 310-unit plan. Primary concerns included the use of 100% underground parking and the demographics of the project’s target user mix (i.e. “who is this housing for?”). Council also expressed a preference to maintain a schedule which could allow for construction to begin in 2024.

At a Council work session on March 8, 2021, staff proposed to issue an RFP to facilitate selection of a full A&E design team and for continuing the design process into the SD phase - but to do so with a customized SD scope of work which would begin with a ‘parking alternatives analysis’ to respond to the Council’s concerns about the use of 100% underground parking.

It should be noted that the City expects to issue an RFQ for Public-Private Partnership ("PPP") development and financing interest near the end of the SD design phase. This could lead to City negotiations with private developers who may at some point take over the design and entitlements process. This approach is TBD, and any potential development partnerships may or may not materialize. The City currently intends to stay on a path toward a 2024 construction start, whether or not a private developer is later brought on board via agreements with the City. In the event that no private development ends up being part of the process, the City may likely continue in the role of developer as it has in the past for many such affordable housing developments in Aspen.
2.2 PROJECT SITE

The project site address is 38005 Colorado Highway 82, Aspen, CO 81611 and is approximately 3.5 miles northwest of downtown Aspen, as illustrated in the image below:

As shown on this context map on the project website, the site is located in close proximity to the Pitkin County Airport and the Aspen Airport Business Center. The 10.5-acre site is made up of four adjacent parcels which are anticipated to be consolidated into a single project site as part of the entitlements process. Each parcel is owned by the City of Aspen, and descriptions are available for each below, from north to south:

**105 AABC** is 2.976 acres in area and currently has a mini storage facility operation on the site. The City of Aspen purchased the site in 2020, along with the existing mini storage operation. The property is currently not within Aspen City limits but meets the criteria for annexation and is expected to be annexed into the City as part of the entitlements process. The City plans to discontinue the mini storage operation and develop the property for affordable housing.

**37925 HWY 82** is 3.1 acres in area and is currently the northern portion of the Builders FirstSource lumberyard operation. The City purchased the property in 2002 for the purpose of developing affordable housing and has continued to lease the property to the lumberyard operator since the time of purchase. This parcel was previously annexed into the City of Aspen, and the City plans to terminate the lumberyard operator’s lease and develop the property for affordable housing.

2021-150 Architecture & Engineering Design Team for the “Lumberyard” Affordable Housing Development
April 19, 2021
38005 HWY 82 is 1.64 acres in area and is currently the southern portion of the Builders FirstSource lumberyard operation. The City purchased the property in 1997 for the purpose of developing affordable housing and has continued to lease the property to the lumberyard operator since the time of purchase. This parcel was previously annexed into the City of Aspen, and the City plans to terminate the lumberyard operator’s lease and develop the property for affordable housing.

PARCEL ID 273503100805 has been owned by the City of Aspen since 2002 and was also previously annexed into the City of Aspen. The property is partly covered by a conservation easement, and the language in the conservation easement specifically allows the property to be developed up to the toe of the slope of Deer Hill. The developable area is approximately 2.75 acres, and the City plans to subdivide the developable portion and consolidate it into the project site to be used for the development of affordable housing.

2.3 PROJECT INTRODUCTION

The Lumberyard project will be a significant addition to the inventory of affordable housing in the Aspen and Pitkin County Community and could be as much as 10% of the inventory once fully implemented. And as potentially the largest affordable housing development in the Aspen and Pitkin County community, as well as the project crucial visual impact as part of the entrance to Aspen experience, this project will be of great community focus and attention.

Please note that some of the information on the project website is out of date and should be supplemented as described in the notes listed below:

**Note 1:** The most up-to-date 310-unit plan which was presented to City Council on November 23, 2020 is not shown on this web page and is instead available here.

**Note 2:** The most up-to-date presentation for the current 310-unit plan from the November 23, 2020 Aspen City Council work session is not is not shown on the project website and is instead available here.

**Note 3:** The most up-to-date Outreach 3 Summary Report which was presented to Aspen City Council on November 23, 2020 is not shown on the project website and is instead available here.

The project website at [www.aspenlumberyard.com](http://www.aspenlumberyard.com) includes the following pages which contain a significant amount of background information about project work completed to date:

**Home** – Flyover view of the project site which illustrates proximity to Deer Hill, CO Hwy 82 and Pitkin County Airport

**Project Intro** – Includes a 3-minute project introduction video as well as project themes and a project timeline

**Conceptual Plans** – Prior to fall 2020, studies had ranged from 140 units with two- and three-story buildings and 100% surface parking up to 500+ units with four-story buildings and 100% underground parking. Concept Studies A, B and C shown on this page were based on feedback from Council in July 2020 and were further refined based on preliminary results of the outreach 3 effort in fall 2020. These plans were presented to Council in October 2020 and are representative of Council’s process of zeroing in on the 300+ unit range of density.
Events – The events from the third round of community outreach in fall 2020 are listed, and there are virtual open house videos which provide additional information about the process which was occurring at the time.

Document Library – This page provides additional documents which were pertinent throughout 2020, including maps, early massing studies and conceptual unit plans. Numerous reports are available here as well, including the Greater Roaring Fork Regional Housing Study Colorado Dept. of Transportation Highway 82 Access Control Plan, and Summary Reports for Outreach 1 and Outreach 2. Numerous additional presentations are also included, up to the October 26, 2020 Aspen City Council work session.

2.4 CURRENT PROGRESS

The current status of the Lumberyard affordable housing design process is at a stage between conceptual master planning and schematic design. The most recent 310-unit conceptual site layout is shown below and is part of the 310-unit conceptual master plan.

The access roadways in the conceptual masterplan are designed to comply with the Colorado Dept. of Transportation (CDOT) access control plan (ACP) for this area of Colorado State Highway 82. The entrance to the Lumberyard site, adjacent to Mountain Rescue, is noted on the CDOT ACP as “BMC West”. The section of frontage road noted on the CDOT ACP which connects “BMC West” and “AABC 200”, which is shown on the masterplan above, does not exist today. Based on feedback throughout the community outreach effort, this seamless connection with the AABC considered crucial for neighborhood integration and community uptake. The CDOT ACP also call for a fully controlled intersection at the entrance to the Lumberyard site.

2021-150 Architecture & Engineering Design Team for the “Lumberyard” Affordable Housing Development
April 19, 2021
The residential program included in the 310-unit conceptual masterplan is as follows:

<table>
<thead>
<tr>
<th>Rental Units:</th>
<th>Ownership Units:</th>
</tr>
</thead>
<tbody>
<tr>
<td>48 Studio Units</td>
<td>40 1-Bedroom Units</td>
</tr>
<tr>
<td>100 1-Bedroom Units</td>
<td>42 2-Bedroom Units</td>
</tr>
<tr>
<td>64 2-Bedroom Units</td>
<td>16 3-Bedroom Units</td>
</tr>
</tbody>
</table>

The plan includes 432 underground parking spaces, which is based on the Aspen municipal code requirement of 1 parking space per bedroom for studio- and 1-bedroom units and 2 parking spaces per unit for 2- and 3-bedroom units. Any reduction to the code-required parking quantity would be a decision of Aspen City Council instead of a project team decision. If the project team can provide information to Council that parking reductions would be warranted, and if Council can become fully confident that impacts of any proposed amount of parking reduction could be appropriately mitigated, then it may be possible to reduce the parking space quantities.

The current plan includes about 33% open site landscape area with a mixture of about three-quarters 3-story buildings and one-quarter 4-story buildings. The plan also includes a shuttle station and community lawns and play areas. To this point, City Council has decided to allow commercial services to be provided via free market opportunities at the adjacent AABC, although there is a childcare facility currently shown on the plan, adjacent to the AABC, which is considered a crucial component of the project.

At one point in the process, the ownership units were all located at the south end of the site, but based on feedback from the community outreach effort, the quantity of ownership units was increased, and due to that increase, the ownership units were moved to the east side of the site.

When Aspen City Council reviewed the most recent 310-unit conceptual master plan on November 23, 2020, the primary concerns cited were the use of 100% underground parking and the tight spacing among some of the buildings.

Council also expressed some concern about building heights and orientation and a desire to push the ownership units back to the south end of the site, if possible. Other concerns cited at the time were about noise mitigation and about the demographics of the project’s target user mix (i.e. “who is this housing for?”). Council additionally expressed a desire to see innovation used to solve problems and also expressed a preference to maintain a schedule which could allow for construction to begin in 2024.

Proposed actions for satisfying the concerns cited are described in the “Scope of Services” section below.

### 2.5 TECHNICAL STUDIES

In addition to traffic and parking, and due to the close proximity to Hwy 82 and the Pitkin County Airport, there have been concerns raised about noise and air quality. This package of preliminary technical studies includes the following:

- Preliminary Technical Studies Summary (DHM Design)
- Preliminary Utility assessment (Roaring Fork Engineering)
- Preliminary Traffic study (Fehr & Peers)
- Existing Conditions Survey (True North)

2021-150 Architecture & Engineering Design Team for the “Lumberyard” Affordable Housing Development
April 19, 2021
- Geotechnical Study (for an adjacent parcel, HP Kumar)
- Noise Impact Assessment (Engineering Dynamics)

By the time of award of this contract, there may be additional information available from Pitkin County on air quality and traffic study due to the County's work on the nearby airport expansion effort which is in process. But to date, there have been no substantiated reports of inappropriate air quality.

Continued study of the technical areas identified, and potentially more, will be needed to support the land use entitlements application and public hearing process.

## 3.0 SCOPE OF SERVICES

The initial contract award related to this RFP will include Part 1: Customized Schematic Design. Additional parts of scope are planned to be added as additional services as the project moves forward:

<table>
<thead>
<tr>
<th>Part 1: Customized Schematic Design</th>
<th>Initial contract award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 2: Supporting the Land Use Entitlements Application</td>
<td>(initial contract award)</td>
</tr>
<tr>
<td>Part 3: Design Development</td>
<td>(initial contract award)</td>
</tr>
<tr>
<td>Part 4: Supporting the Land Use Entitlements Project Review Process</td>
<td>(initial contract award)</td>
</tr>
<tr>
<td>Part 5: Planned Development Documentation</td>
<td>(future add services)</td>
</tr>
<tr>
<td>Part 6: Construction Documents</td>
<td>(future add services)</td>
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<tr>
<td>Part 7: Supporting the Building Permit Application Process</td>
<td>(future add services)</td>
</tr>
<tr>
<td>Part 8: Construction Administration</td>
<td>(future add services)</td>
</tr>
<tr>
<td>Part 9: Project Closeout and Warranty Support</td>
<td>(future add services)</td>
</tr>
</tbody>
</table>

### 3.1 PART 1: CUSTOMIZED SCHEMATIC DESIGN

The Part 1 Customized Schematic Design scope is meant to first test and verify, or otherwise suggest appropriate modification to the current 310-unit master plan. From there, the goal is to prepare sufficient schematic design documentation to support the land use entitlements application and process.

In order to test and verify, or otherwise suggest appropriate modification to the current 310-unit masterplan, the project team aims to respond the concerns raised by Aspen City Council in November 2020. These include, and may not throughout the remaining process be limited to, the items listed below, and each is discussed further below:

- Use of 100% underground parking
- Tight spacing between buildings
- Some concern about building heights and orientation
- Relocating ownership units to south end of site
- Noise Mitigation
- Innovation
- Demographics of target user mix (i.e. “who is this housing for?”)
- Maintain a schedule for construction to begin in 2024
Use of 100% underground parking – Parking Alternatives Analysis

The parking issue is a fundamental, threshold question – which could potentially drive considerable redesign, and which could cause a timing setback for City Council. In terms of site design (building interiors notwithstanding), a high level of livability is often maintained by reducing the impacts of encroachment by buildings, cars, and people through creative building and access drive spacing and orientation along with the provision of open site landscape area and amenities which enhance opportunities for aesthetic and peaceful enjoyment in harmony with the surrounding neighborhood.

But increasing wealth inequality, lack of affordable housing and skyrocketing land and development costs have created heightened pressure to increase density at new affordable housing facilities like the Lumberyard. This pressure presents a significant new challenge to the customary notion that affordable housing facilities in Aspen and Pitkin County should maintain a high level of livability for those community members who reside at such facilities.

In the early stages of the conceptual master planning process, the team created a few very rough site arrangements which explored a wide range of density options, from a low of about 140 units up to over 500 units. Although, most of those plans included some amount of surface parking, it did not take long for the project team to recognize that the impacts of 100% surface parking begin to significantly impact livability in an adverse way as the density reaches 20 units per acre and above. And at nearly 30 units per acre in the current 310-unit plan, 100% underground parking seemed to be a necessary burden in order to maintain a sufficient level of livability.

But underground parking is costly in many ways including initial cost, ongoing maintenance cost, disposition of excavated material, environmental impacts, access convenience and more. And the project team has verified that Aspen City Council would like it to be the initial task of the A&E Design team to review the parking arrangements in the current 310-unit masterplan by performing a parking alternatives analysis which would study impacts of varying levels of above-ground parking in place of the current plan for 100% underground parking.

The parking alternatives analysis should be one of the first steps to be performed by the A&E Design team as part of the schematic design process. To do this, the project team has proposed that the following alternative site plan possibilities should be examined:

a. Baseline: The current 310-unit plan with 100% underground parking, 33% open site landscape area and an average building height of 3.25 stories (as currently designed)
b. Alternative A with 310 units, 67% underground parking, 33% podium parking, 33% open site landscape area and an average building height of 4 stories
c. Alternative B with 310 units, 34% underground parking, 33% podium parking, 33% surface parking, 22% open site landscape area and an average building height of 4 stories
d. Alternative C with 310 units and with reduced parking distributed as 0% underground parking, 50% podium parking, 50% surface parking, 20% open site landscape area and an average building height of 4 stories

Potential alternate: Consider whether an appropriate alternate for this task should be consideration for a dedicated parking structure or structure(s). The challenge with this approach would be maintaining density and livability with the additional necessary surface area which such structure(s) would use.
The parking alternatives analysis should include visual site plan layout representation of each alternative and an excavation study including excavation quantities and disposition options. Some means of comparing, at least on a relative basis, both initial cost and ongoing maintenance cost will need to be included in the exercise as well. Automobile circulation, open site landscape area and potential conflict areas should be highlighted to convey the notion of livability impacts.

The alternatives shown above seem logical for testing to the project team, but improvements to the analysis would be welcome. The quantities described in the alternatives listed above are estimated, and should vary as needed for best results, and of course should be noted for each case. This parking analysis effort should be included in the scope of services proposed as part of any proposal submitted for this RFP. The remainder of the scope of services, and surely the outcome of the overall project design, will be highly dependent on the outcome of the parking alternatives analysis.

It will be necessary to present the findings of the parking alternatives analysis to Aspen City Council. Estimates of such work session meetings/presentations have been included in the list of public meetings/presentations later in this RFP.

**Tight spacing between buildings**

There are some pinch points between buildings in the 310-unit master plan which appear to need attention. Application of pertinent dimensional standards or best practices for the project may be helpful in understanding how to optimize the spacing between buildings. It will also be important to understand sun and shading in some of these areas to understand how snow will pile and freeze/thaw in the alpine environment.

If the A&E Design team so chooses, it may be possible, and perhaps even most efficient, to incorporate addressing concerns about spacing between buildings, building heights and orientation and relocating ownership units to south end of site into the work performed during the parking alternatives analysis. If instead it is more difficult than it may seem, these tasks may also be performed after the conclusion of the parking alternatives analysis. One way or another, the A&E Design team will need to address these concerns for Council as part of the SD effort.

**Some concern about building heights and orientation**

Building orientation will also be important to review for the purposes of appropriate sunlight, roof aspects and potential for solar p/v opportunities, and other important details. It may be important to note for this exercise, as well as for overall solar exposure and fenestration, that mechanical systems in City of Aspen affordable housing projects do not typically include cooling.

**Relocating ownership units to south end of site**

The ownership facilities will need to be separate from the rental portion of the site and will be subdivided as part of the land use entitlements process. Parking facilities for rental versus ownership areas will need to be sufficiently separated to the extent possible as well. Although some amount of shared infrastructure/commonality may be acceptable, it may be best to separate these where possible avoid future maintenance/management complication since the ownership facilities will most likely end up becoming part of a private owners’ association.
Noise Mitigation

The south end of the site may have a higher degree of noise impacts, and thus may require a higher degree of noise mitigation techniques such as earthen berms, engineered structures, and/or articulating or otherwise noise-mitigating facades, windows, and potential other elements as needed and/or where possible. Noise mitigation techniques should also be considered to the extent necessary and/or recommended across the entire frontage of the facility, once again as needed and/or where possible.

Innovation

Aspen City Council has expressed an interest in seeing innovation in building forms and for solving challenges such as those posed by parking, noise and an overall approach to environmental sustainability.

A comprehensive sustainability program will be necessary for the project and will need to be studied during the SD process and proposed to Aspen City Council for adoption. Recent City of Aspen housing projects have produced facilities able to achieve a net site Energy Use Intensity (EUI) of slightly below 30 kBTU per sq ft per yr. Aspen City Council has expressed an interest in seeing what it might take to get to a net zero development and may also be interested in near-net-zero development if sufficient energy generation offset can be implemented. Aspen City Council has also expressed limited interest in utilizing green roofs and/or rooftop gardens and decks for the purpose of simultaneously providing both sustainability elements and amenities, if possible. Any recommendations for the use of green roofs and or rooftop gardens should consider trade-offs of alternate uses and should also consider maintenance needs and overall feasibility in Aspen’s cold and snowy climate.

The use of factory-built modular construction may be an additional opportunity for innovation which can be considered – particularly for repeatability and implementation efficiency. It is expected that the City (if the City remains the developer in the long run) and/or any private developer will be highly interested in construction efficiencies and mitigating impacts of on-site construction in series through the use of concurrent factory-built project elements or a full factory-built modular approach to project implementation. During the conceptual masterplan process, the project team created unit layouts which are roughly based on dimensional parameters used in factory-built modular construction, such as 15’ x 33’ or thereabouts. All unit designs will also be subject to the minimum size requirements in the Aspen/Pitkin County Housing Authority (APCHA) Development Policies and Procedures. It is also important to note that the City of Aspen typically aims to satisfy ADA Type B dimensional standards for all affordable housing units. This is of course in addition to required Type A units.

Not only should the unit layouts be further honed throughout the SD process for the ability to utilize a modular approach to building, but building forms which utilize a factory-built modular approach to construction (or a similarly efficient approach to implementation), should also be considered for the purpose of innovation. The building forms which were in process during the conceptual masterplan process stopped short utilizing tactics which could be used to creatively use space and mitigate noise impacts, and such options should be considered.

At one time, the team looked at some examples of such innovation and creative use of space and pushing and pulling of forms to create articulation.

See example below, credit: NL Architects.
To be clear, this is not to suggest that the visual character and material palette of the facilities at the Lumberyard should look like the example shown above. The question of architectural character was put to the community during the outreach 3 process, and the most preferred sets of sample images for the neighborhood context are shown below, which might be described as a mixture of mountain and mountain modern forms often seen nearby to the project site and throughout the Aspen and Pitkin County region. City Council has directionally concurred with this character approach.

The potential use of innovative building forms within the character context shown above will be a creative exercise for the A&E design team to hone throughout SD and further along in the design process.

**Demographics of target user mix (i.e. "who is this housing for?")**

The City of Aspen is in the process of commissioning an update to a 2012 affordable housing needs analysis which will provide information which can be used to satisfy this concern. Prior work on the building program was based upon the Roaring Fork Regional Housing Study and should be updated with the results of the update to the 2012 study. The City’s affordable housing needs update analysis is anticipated to illustrate an update to the level of relative need at varying income levels and household sizes.
No action on this is needed for this RFP process – just know that this information will be provided by the City of Aspen and will be available for use by the A&E team to update and further develop the residential program as the process moves forward.

**Maintain a schedule for construction to begin in 2024**

The project timeline below, which works backwards from 2024, has been publicly conveyed and should be maintained to the extent possible. Although it will be difficult to submit a land use entitlements application in 2021, future portions of the process may be possible to condense to make up lost time.

- 2024 Construction Begins
- 2023 Building Permit Application Review and Approval
- Building Permit Application Development and Submittal
- Contracting and Procurement
- Construction Documents Production
- 2022 Development Agreement Completion and Recording
- Planned Development Completion and Recording
- Detailed Design Process
- Land Use Approval Process
- 2021 Land Use Application Review
- Land Use Application Submittal
- Land Use Application Development
- Community Outreach
- Schematic Design
- 2020 Conceptual Design
- Community Outreach
- 2019 Community Outreach

**Implementation Phasing Study**

- An initial implementation phasing study should be performed as part of the SD effort. City staff and Planner will provide additional support.

**Technical Studies:**

- Proposal should include advancement of the technical studies as needed to support the SD level of design completion. Please review the technical studies completed to this point and estimate updates as you see appropriate for this portion of scope.

**Community Outreach:**

- Include 1 Tranche of Community Outreach as part of the SD effort

Assume Each "Tranche" of Community Outreach Shall Consist of:

- 1 Mass email effort
- 1 Advertising effort

2021-150 Architecture & Engineering Design Team for the "Lumberyard" Affordable Housing Development
April 19, 2021
1 Online meeting/conference with public participants
1 Online Survey, including prep, posting, publishing results
1 In-Person Outreach Event, approx. 3 hours plus prep and display materials
1 Outreach Summary Report
1 Presentation of Outreach Results in 1 Public Meeting

Public Meetings:

- Assume two (2) additional City Council work session Public Meetings in the SD effort

Assume each Public Meeting will consist of one 3-hour in-person meeting. Include preparation for presentation and staff as appropriate. Weekly project team meetings and additional follow-up meetings to support the design effort should also be anticipated.

Balance of AIA SD Scope of Work

The balance of the Part 1 Customized Schematic Design scope consists of typical AIA SD Scope of Work as per Article 3 of the attached contract.

- The Architect shall review the program and other information furnished by the Owner and Construction Manager, and shall review laws, codes, and regulations applicable to the Architect’s services.

- The Architect shall prepare a preliminary evaluation of the Owner’s program, schedule, budget for the Cost of the Work, Project site, and the proposed procurement or delivery method and other initial Information, each in terms of the other, to ascertain the requirements of the Project. The Architect shall notify the Owner of (1) any inconsistencies discovered in the information, and (2) other information or consulting services that may be reasonably needed for the Project.

- The Architect shall present its preliminary evaluation to the Owner and Construction Manager and shall discuss with the Owner and Construction Manager alternative approaches to design and construction of the Project, including the feasibility of incorporating environmentally responsible design approaches. The Architect shall reach an understanding with the Owner regarding the requirements of the Project.

- Based on the Project requirements agreed upon with the Owner, the Architect shall prepare and present to the Owner and Construction Manager, for the Owner’s approval, a preliminary design illustrating the scale and relationship of the Project components.

- Based on the Owner’s approval of the preliminary design, the Architect shall prepare Schematic Design Documents for the Owner’s approval and the Construction Manager’s review. The Schematic Design Documents shall consist of drawings and other documents including a site plan, if appropriate, and preliminary building plans, sections and elevations; and may include some combination of study models, perspective sketches, or digital modeling. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

- The Architect shall consider environmentally responsible design alternatives, such as material choices and building orientation, together with other considerations based on program and aesthetics, in developing a design that is consistent with the Owner’s program, schedule and budget for the Cost of the Work. The Owner may obtain other environmentally responsible design services under Article 4.
• The Architect shall consider with the Owner and the Construction Manager the value of alternative materials, building systems and equipment, together with other considerations based on program and aesthetics in developing a design for the Project that is consistent with the Owner’s schedule and budget for the Cost of the Work.

• The Architect shall submit the Schematic Design Documents to the Owner and the Construction Manager. The Architect shall meet with the Construction Manager to review the Schematic Design Documents.

• Upon receipt of the Construction Manager’s review comments and cost estimate at the conclusion of the Schematic Design Phase, the Architect shall take action as required under Section 6.4, identify agreed upon adjustments to the Project’s size, quality or budget, and request the Owner’s approval of the Schematic Design Documents. If revisions to the Schematic Design Documents are required to comply with the Owner’s budget for the Cost of the Work at the conclusion of the Schematic Design Phase, the Architect shall incorporate the required revisions in the Design Development Phase.

• In the further development of the Drawings and Specifications during this and subsequent phases of design, the Architect shall be entitled to rely on the accuracy of the estimates of the Cost of the Work, which are to be provided by the Construction Manager under the Construction Manager’s agreement with the Owner.

3.2 PART 2: SUPPORTING THE LAND USE ENTITLEMENTS APPLICATION

In preparing the land use entitlements project review application, the Part 2 Supporting the Land Use Entitlements Application scope described here is meant to fill the detail gap to the extent needed to fulfill the requirements as described in Aspen Municipal Code Section 26.445.050. (This is for the purpose of preparing the application for submittal, not for supporting the development review and approval process, which is described in Part 4.)

It is anticipated that the SD deliverables will fall somewhat short of sufficient detail for the land use entitlements project review application. Filling the detail gap in this manner is proposed for time efficiency, rather than running through an entire DD process to reach the level of detail needed to submit the initial project review application.

Please review the requirements in the code section cited above and estimate the level of effort needed to fill the gap as described and to produce exhibits as needed for the land use project review application. These deliverables will be in addition to typical SD deliverables and should be customized for the application.

The City staff and the City’s Planner will draft and assemble the land use entitlements application documentation package and will lead the land use entitlements process. The conceptual master site plan design team led by DHM Design was originally hired by the City in 2019 to perform community outreach and conceptual master site planning and was not intended to be the full A&E design team for entire development process. DHM is essentially being replaced in the design role by the A&E design team. But the City currently plans to directly retain DHM as project Planner for the purpose of drafting and assembling all of the necessary land use application documentation package.

The A&E design team is expected to provide a high level of support to the process of drafting and assembling the land use application documentation package. Design team should work with the Planner and with Owner’s staff to schedule production of deliverables as needed for production of application exhibits as required.
Any proposal by the A&E design team to further supplement planning services as a sub-consultant should be explained in the proposal and should be made clear as to whether it is meant to be supplemental services or otherwise a proposed alternate.

**Implementation Phasing Study**

- Please estimate effort to advance the implementation phasing study for sufficient presentation in the application

**Technical Studies:**

- Please estimate advancement of the technical studies for sufficient presentation in the application

**Community Outreach:**

- Please include 1 Tranche of Community Outreach to prepare the application

Assume Each "Tranche" of Community Outreach Shall Consist of:

1 Mass email effort
1 Advertising effort
1 Online meeting/conference with public participants
1 Online Survey, including prep, posting, publishing results
1 In-Person Outreach Event, approx. 3 hours plus prep and display materials
1 Outreach Summary Report
1 Presentation of Outreach Results in 1 Public Meeting

**Public Meetings to Support Creating the Application**

- Include 1 additional Public Meetings with City Council to review the application prior to submission

Assume Each Public Meeting Shall Consist of one 3-hour in-person meeting. Include preparation for presentation and staff as appropriate.

### 3.3 PART 3: DESIGN DEVELOPMENT

It is anticipated that the DD process should begin at the moment the application is accepted by the City of Aspen Community Development Department. In fact, it is anticipated that the following two Parts of scope will be added simultaneously and will run concurrently:

Part 3: Design Development
Part 4: Supporting the Land Use Entitlements Project Review Process

The Part 3 Design Development scope consists of typical AIA DD Scope of Work as per Article 3 of the attached contract. Additional presentations to Aspen City Council will be necessary during this part of the process to continue to seek approval as the designs are advanced and as more information about the project is made available.
available. Weekly project team meetings and additional follow-up meetings to support the DD process should also be anticipated.

**AIA DD Scope of Work**

- Based on the Owner’s approval of the Schematic Design Documents, and on the Owner’s authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Design Development Documents for the Owner’s approval and the Construction Manager’s review. The Design Development Documents shall be based upon information provided, and estimates prepared by, the Construction Manager and shall illustrate and describe the development of the approved Schematic Design Documents and shall consist of drawings and other documents including plans, sections, elevations, typical construction details, and diagrammatic layouts of building systems to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, and such other elements as may be appropriate. The Design Development Documents shall also include outline specifications that identify major materials and systems and establish in general their quality levels.

- Prior to the conclusion of the Design Development Phase, the Architect shall submit the Design Development Documents to the Owner and the Construction Manager. The Architect shall meet with the Construction Manager to review the Design Development Documents.

- Upon receipt of the Construction Manager’s information and estimate at the conclusion of the Design Development Phase, the Architect shall take action as required and request the Owner’s approval of the Design Development Documents.

### 3.4 PART 4: SUPPORTING THE LAND USE ENTITLEMENTS PROJECT REVIEW PROCESS

The City expects to utilize the Planned Development review process described in Chapter 26.445 Planned Development of the City of Aspen Municipal Code. Please review the requirements and estimate the effort required to support the process as required.

During the project review process, architect will lead the A&E design team to coordinate responses to questions and comments from one meeting to the next throughout the review process, through completion. Depending upon the quality, completeness, level of regulatory compliance and community uptake of the application submitted, this process can require numerous iterations to reach completion.

Assume the following Public Meetings to Support the Land Use Entitlements Process

- Assume 6 additional Public Meetings with City Council
- Assume 3 additional Public Meetings with Planning and Zoning

Assume Each Public Meeting Shall Consist of one 3-hour in-person meeting. Include preparation for presentation and staff as appropriate.

The A&E design team should anticipate the need for preparation and presentation for all such Public Meetings.
3.5 PART 5: PLANNED DEVELOPMENT DOCUMENTATION

After the project has been approved under a land use Ordinance and Scope Parts 3 and 4 near completion, it will be necessary to begin Part 5 to produce the Planned Development (PD) documentation to the satisfaction of the development approval Ordinance. Such documentation typically requires production and recording of a comprehensive PD Plan set which will memorialize the approved project, typically at the DD level. The Planner and City Staff will simultaneously need to produce a Development Agreement, and it should be expected that the A&E design team will need to provide some support to that effort as well.

The Planner will work with City staff to negotiate and produce the Development Agreement which will memorialize regulatory conditions which the project will need to satisfy. Production of the PD docs and the Development Agreement is anticipated to occur concurrently and will require coordination among the project team to continue moving forward to completion and recording of the necessary documentation to the satisfaction of the regulatory staff.

The completed PD documentation is expected to satisfy the DD phase of design, and is expected to make ready for the production of implementation (construction) documents.

Weekly project team meetings and additional follow-up meetings to support the design effort should also be anticipated.

3.6 PART 6: CONSTRUCTION DOCUMENTS

It may be unlikely that the Construction Documents process will include implementation of the entire project. Instead a first phase or phases of implementation may be more likely. That said, for the sake of removing unknowns in the bidding process, the scope of work described in this section should be considered as if the entire project will be implemented in its entirety.

Weekly project team meetings and additional follow-up meetings to support the design effort should also be anticipated.

The Part 5 Construction Documents scope consists of typical AIA CD Scope of Work and Bidding and Negotiation Services as per Article 3 of the attached contract.

- Based on the Owner’s approval of the Design Development Documents, and on the Owner’s authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Construction Documents for the Owner’s approval and the Construction Manager’s review. The Construction Documents shall illustrate and describe the further development of the approved Design Development Documents and shall consist of Drawings and Specifications setting forth in detail the quality levels of materials and systems and other requirements for the construction of the Work. The Owner and Architect acknowledge that in order to construct the Work the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review.

- The Architect shall incorporate into the Construction Documents the design requirements of governmental authorities having jurisdiction over the Project.
• During the development of the Construction Documents, if requested by the Owner, the Architect shall assist the Owner and the Construction Manager in the development and preparation of (1) bidding and procurement information that describes the time, place and conditions of bidding, including bidding or proposal forms; (2) the form of agreement between the Owner and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions); and (4) compile a project manual that includes the Conditions of the Contract for Construction and may include bidding requirements and sample forms.

• Prior to the conclusion of the Construction Documents Phase, the Architect shall submit the Construction Documents to the Owner and the Construction Manager. The Architect shall meet with the Construction Manager to review the Construction Documents.

• Upon receipt of the Construction Manager’s information and estimate at the conclusion of the Construction Documents Phase, the Architect shall take action as required and request the Owner’s approval of the Construction Documents.

• The Architect shall assist the Owner and Construction Manager in establishing a list of prospective contractors. Following the Owner’s approval of the Construction Documents, the Architect shall assist the Owner and Construction Manager in (1) obtaining either competitive bids or negotiated proposals; (2) confirming responsiveness of bids or proposals; (3) determining the successful bid or proposal, if any; and (4) awarding and preparing contracts for construction.

• Bidding Documents shall consist of bidding requirements and proposed Contract Documents.

• The Architect shall assist the Owner and Construction Manager in bidding the Project by
  1. facilitating the reproduction of Bidding Documents for distribution to prospective bidders,
  2. participating in a pre-bid conference for prospective bidders, and
  3. preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents in the form of addenda.

• The Architect shall consider requests for substitutions, if the Bidding Documents permit substitutions, and shall consult with the Construction Manager and prepare and distribute addenda identifying approved substitutions to all prospective bidders.

• Proposal Documents shall consist of proposal requirements, and proposed Contract Documents.

• The Architect shall assist the Owner and Construction Manager in obtaining proposals by
  1. facilitating the reproduction of Proposal Documents for distribution to prospective contractors, and requesting their return upon completion of the negotiation process;
  2. participating in selection interviews with prospective contractors; and
  3. participating in negotiations with prospective contractors.

• The Architect shall consider requests for substitutions, if the Proposal Documents permit substitutions, and shall consult with the Construction Manager and prepare and distribute addenda identifying approved substitutions to all prospective contractors.
3.7 PART 7: SUPPORTING THE BUILDING PERMIT APPLICATION PROCESS

Preparation of CD documentation should be aimed specifically at satisfying the building permit application process, and should include production of ALL BUILDING PERMIT APPLICATION MATERIALS required for building permit application submittal. Information about the building permit application requirements and process are available at the City of Aspen website.

Building permit application checklists should be created and tracked to ensure production of all necessary building permit application materials to the satisfaction of the local (and potentially state) regulatory process.

The architect shall perform the building permit application submittal process through the required regulatory application process. Architect shall work toward final acceptance of all building permit application materials by such regulatory department staff.

During the regulatory review process, architect will lead the A&E design team to coordinate responses to regulatory questions and comments throughout the regulatory review process, through completion and issuance of building permits. Depending upon the quality, completeness and level of regulatory compliance of the application materials submitted, this process can require numerous iterations to reach completion.

Weekly project team meetings and additional follow-up meetings to support the design effort should also be anticipated.

3.8 PART 8: CONSTRUCTION ADMINISTRATION

It may be unlikely that the Construction Administration process will include implementation of the entire project. Instead a first phase or phases of implementation may be more likely. That said, for the sake of removing unknowns in the bidding process, the scope of work described in this section should be considered as if the entire project will be implemented in its entirety.

Weekly project team meetings and additional follow-up meetings to support the design effort should also be anticipated.

The Part 7 CA scope consists of typical AIA CA Scope of Work and Bidding and Negotiation Services as per Article 3 of the attached contract.

- The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A232™–2009, General Conditions of the Contract for Construction, Construction Manager as Adviser Edition. If the Owner and Contractor modify AIA Document A232–2009, those modifications shall not affect the Architect’s services under this Agreement unless the Owner and the Architect amend this Agreement.

- The Architect shall advise and consult with the Owner and Construction Manager during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the Architect be responsible for the Contractor’s failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the
Architect’s negligent acts or omissions, but shall not have control over or charge of, and shall not be responsible for, acts or omissions of the Construction Manager, or the Contractor or of any other persons or entities performing portions of the Work.

- The Architect’s responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

- The Architect shall visit the site at intervals appropriate to the stage of construction, or as otherwise required in Section 4.3.3, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner and the Construction Manager (1) known deviations from the Contract Documents and from the most recent construction schedule, and (2) defects and deficiencies observed in the Work.

- The Architect has the authority to reject Work that does not conform to the Contract Documents and shall notify the Construction Manager about the rejection. Whenever the Architect considers it necessary or advisable, the Architect, upon written authorization from the Owner and notification to the Construction Manager, shall have the authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees or other persons or entities performing portions of the Work.

- The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of the Construction Manager, Owner, or Contractor through the Construction Manager. The Architect’s response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

- Interpretations and decisions of the Architect shall be consistent with the intent of and reasonably inferable from the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions rendered in good faith. The Architect’s decisions on matters relating to aesthetic effect shall be final if consistent with the intent expressed in the Contract Documents.

- Unless the Owner and Contractor designate another person to serve as an Initial Decision Maker, as that term is defined in AIA Document A232–2009, the Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

- The Architect shall review and certify an application for payment not more frequently than monthly. Within seven days after the Architect receives an application for payment forwarded from the Construction Manager, the Architect shall review and certify the application as follows:
  1. Where there is only one Contractor responsible for performing the Work, the Architect shall review the Contractor’s Application and Certificate for Payment that the Construction Manager has previously submitted.
reviewed and certified. The Architect shall certify the amount due the Contractor and shall issue a Certificate for Payment in such amount.

2 Where there are Multiple Prime Contractors responsible for performing different portions of the Project, the Architect shall review a Project Application and Project Certificate for Payment, with a Summary of Contractors’ Applications for Payment, that the Construction Manager has previously prepared, reviewed and certified. The Architect shall certify the amounts due the Contractors and shall issue a Project Certificate for Payment in the total of such amounts.

• The Architect’s certification for payment shall constitute a representation to the Owner, based on (1) the Architect’s evaluation of the Work as provided in Section 3.6.2, (2) the data comprising the Contractor’s Application for Payment or the data comprising the Project Application for Payment, and (3) the recommendation of the Construction Manager, that, to the best of the Architect’s knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject (1) to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) to results of subsequent tests and inspections, (3) to correction of minor deviations from the Contract Documents prior to completion, and (4) to specific qualifications expressed by the Architect.

• The issuance of a Certificate for Payment or a Project Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor’s right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

• The Architect shall maintain a record of the applications and certificates for payment.

• The Architect shall review the Construction Manager’s Project submittal schedule and shall not unreasonably delay or withhold approval. The Architect’s action in reviewing submittals transmitted by the Construction Manager shall be taken in accordance with the approved submittal schedule or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect’s professional judgment to permit adequate review.

• In accordance with the Architect-approved Project submittal schedule, and after the Construction Manager reviews, approves and transmits the submittals, the Architect shall review and approve or take other appropriate action upon the Contractor’s submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor’s responsibility. The Architect’s review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect’s approval of a specific item shall not indicate approval of an assembly of which the item is a component.

• If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials or equipment, the Architect shall specify the appropriate performance and design criteria that such services must satisfy. The Architect shall review shop drawings and other submittals related to the Work designed or certified by the design professional
retained by the Contractor that bear such professional’s seal and signature when submitted to the Architect. The Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals.

- After receipt of the Construction Manager’s recommendations, and subject to the provisions of Section 4.3, the Architect shall review and respond to requests for information about the Contract Documents. The Architect, in consultation with the Construction Manager, shall set forth in the Contract Documents the requirements for requests for information. Requests for information shall include, at a minimum, a detailed written statement that indicates the specific Drawings or Specifications in need of clarification and the nature of the clarification requested. The Architect’s response to such requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness. If appropriate, the Architect shall prepare and issue supplemental Drawings and Specifications in response to requests for information.

- The Architect shall maintain a record of submittals and copies of submittals transmitted by the Construction Manager in accordance with the requirements of the Contract Documents.

- The Architect shall review and sign, or take other appropriate action, on Change Orders and Construction Change Directives prepared by the Construction Manager for the Owner’s approval and execution in accordance with the Contract Documents.

- The Architect may authorize minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Such changes shall be affected by written order issued by the Architect through the Construction Manager.

- The Architect shall maintain records relative to changes in the Work.

3.9 PART 9: PROJECT CLOSEOUT AND WARRANTY SUPPORT

It may be unlikely that Project Completion will occur at one time and may instead occur in phases. That said, for the sake of removing unknowns in the bidding process, the scope of work described in this section should be considered as if the entire project will be implemented in its entirety. Project team meetings would only occur occasionally and would be scheduled in an ad hoc manner during this time.

The Part 8 Project Completion scope consists of typical AIA CA Scope of Work and Bidding and Negotiation Services as per Article 3 of the attached contract, however it is anticipated that a 2-year warranty period will be necessary and that support for ongoing warranty issues will be required throughout the warranty process.

- The Architect, assisted by the Construction Manager, shall conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion prepared by the Construction Manager; receive from the Construction Manager and review written warranties and related documents required by the Contract Documents and assembled by the Contractor; and, after receipt of a final Contractor’s Application and Certificate for Payment or a final Project Application and Project Certificate for Payment from the Construction Manager, issue a final Certificate for Payment based upon a final inspection indicating the Work complies with the requirements of the Contract Documents.
• The Architect’s inspections shall be conducted with the Owner and Construction Manager to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the list submitted by the Construction Manager and Contractor of Work to be completed or corrected.

• When the Work is found to be substantially complete by the Construction Manager and Architect, and after certification by the Construction Manager and the Architect, the Architect shall inform the Owner about the balance of the Contract Sum remaining to be paid the Contractor, including the amount to be retained from the Contract Sum, if any, for final completion or correction of the Work.

• Upon request of the Owner, and prior to the expiration of one year from the date of Substantial Completion, the Architect shall, without additional compensation, conduct a meeting with the Owner to review the facility operations and performance.

### 4.0 RFP PROCESS

Sealed proposals will be received at the City of Aspen Purchasing office, through the Bidnet Direct website (www.bidnetdirect.com) until 2:00pm (MDT), May 27, 2021, at which time the proposals will be opened and reviewed, for the following City of Aspen project: **2021-150 Architecture & Engineering Design Team for the “Lumberyard” Affordable Housing Development.**

The selection process will consist of proposal evaluations by the selection committee, and Proposers will be notified of further process thereafter. In addition to price, the evaluation criteria set forth below may be considered in judging which Proposal is in the best interests of the City.

### 4.1 QUESTIONS

Candidates should post pertinent questions on the Bidnet Direct website, www.bidnetdirect.com, no later than **May 13, 2021.** Answers will be posted online for all Candidates to review. It is the Candidate’s responsibility to check the website for Q&As, addendums, RFP Clarifications, and other important information.

### 4.2 RFP SCHEDULE

At this time, the following process and timeline is anticipated. The City reserves the right to modify the process or timeline:

- **RFP Issued:** April 19, 2021
- **Pre-Bid Conference:** April 23, 2021, 10:00AM (see link below)
- **RFP Questions Close:** May 13, 2021
- **Proposals Due:** May 27, 2021, 2:00PM
- **Evaluation/clarification period:** May 28-June 11, 2021
- **Finalist Notifications:** June 11, 2021
- **Finalist Interviews:** June 14-18, 2021
- **Signed Contract Due:** June 21, 2021
- **City Council Approval:** June 29, 2021
Use the link below to join the Pre-Bid Conference on April 23, 2021 at 10:00AM.

Microsoft Teams meeting
Join on your computer or mobile app
Click here to join the meeting
Learn More | Meeting options

4.3 PROPOSAL SUBMISSION AND FORMAT

Electronic submission is to be uploaded on the Bidnet Direct website, www.bidnetdirect.com. The electronic submission must be compiled into a single PDF document plus the unprotected Excel workbook of hourly rates, hours and fees. Please reduce file size to the extent possible. The name of the documents must contain the City project number and firm’s name. Proposals are due by: 2:00pm (MDT), May 27, 2021.

4.5 EVALUATION CRITERIA

The City of Aspen reserves the right to select the proposer that it deems, in its sole discretion, to have presented a proposal that is in the best interests of the City of Aspen. In addition to price, the evaluation criteria and weightings listed below may be considered in judging which Proposal is in the best interests of the City of Aspen and are subject to change by the selection committee based on the best interests of the City of Aspen:

- 25% Response to section 5.1 Lead Firm and Team Qualifications
- 25% Response to section 5.2 Relevant Project Experience
- 25% Response to section 5.3 Additional Expertise Sought
- 25% Response to section 5.4 Proposed Hours and Fees, Schedule, Contract, Insurance

5.0 PROPOSAL CONTENT AND FORMAT

Please format your submittal to include the items specifically listed below. Please be thorough in addressing the items but note that the Owner is also looking for a team member that can demonstrate effective and concise communication. In addition to the PDF submittal, please also submit the Excel workbook of hourly rates, hours and fees as an unprotected Excel file. Mark and sections or pages containing sensitive information as confidential if necessary.

5.1 LEAD FIRM AND TEAM QUALIFICATIONS

5.1.1 Provide a short narrative or cover letter expressing the nature of your interest in the project. Include the team leader’s name and contact information for all communication related to this RFP process.

5.1.2 Provide the name of lead architectural firm, address, and telephone number. If the firm has multiple offices, include information about the parent company and branch office separately. Identify office from which project will be managed and this office’s proximity to the project site.

5.1.3 What year was the firm established? What is the total number of firm’s full-time employees?
5.1.4 Firm's annual revenue for each of the past five years.

5.1.5 Provide a listing and description of all current litigation involving the lead firm and any subconsultants.

5.1.6 Provide a copy of the lead firm's most recent Income Statement and Balance Sheet.

5.1.7 Provide name, email and phone number for firm's primary contact person for this project. Describe your level of commitment that this person will be the point of contact throughout the entire project.

5.1.8 Provide a list of all subconsultants on the team. Include with each an explanation as to why this subconsultant is best suited for working on this project.

5.1.9 Provide a proposed team staffing chart, for the firm and the entire team of subconsultants, which identifies individual names and areas of responsibility. Provide professional qualifications and description of the level of experience for key personnel and particularly highlight experience pertinent to this project.

5.1.10 Provide a statement of firm's capability to absorb additional workload, availability of personnel, and commitment to provide services on a timely basis.

5.2 RELEVANT PROJECT EXPERIENCE

5.2.1 Provide a sampling of approximately five similar projects completed and describe any pertinence to the Lumberyard project. Suggested priority for listing projects is as follows:

1. Affordable housing or residential projects completed of similar size and community sensitivity
2. Similar projects completed within the City of Aspen or Pitkin County, CO
3. Similar projects completed in mountainous locations over 7,000 feet elevation
4. Similar projects completed which utilized innovation or forward-thinking design elements
5. Similar projects completed where your firm/team had a role in facilitating modular construction

Include relative size of each project in square feet and dollars as well as owner's contact information and contractor's contact information. Explain how these sample projects best suit your firm to perform the work described in this RFP.

5.2.2 Describe the firm and team's ability to successfully design and facilitate implementation of the Lumberyard project. Describe any particular challenges you see in implementing the scope of work for this project and how you intend to manage that.

5.2.3 Describe, if you have one, the firm and team's vision for the Lumberyard project. Otherwise, describe the firm and team's vision for an overall approach to the Lumberyard design process. Include any parallel experiences that you may draw from or any opportunities that you see and how those might help achieve success.

5.2.4 Provide an outline of the steps you propose in order to meet the scope of services required in this RFP.

5.2.5 Describe your firm or team's level of experience and understanding regarding projects within the City of Aspen and the land use entitlements and building permitting processes. If none, describe your firm or team's level of experience with challenging regulatory environments and how those experiences may help you with the Lumberyard project. Explain how your firm is prepared to manage this sensitive community-facing project in a challenging regulatory environment.
5.3 ADDITIONAL EXPERTISE SOUGHT

5.3.1 Describe the firm or team’s experience with any similar approach to a sensitive community-facing residential project and whether you see this approach working toward success. Describe any alternates to the overall design approach, or supplemental elements, which you would suggest for achieving community and owner uptake and overall project success in a challenging regulatory environment. Describe any innovation that you may consider bringing to the overall design process.

5.3.2 Describe the firm or team’s experience with any parking challenges such as that described herein. Discuss whether the parking alternatives analysis as described in section 3.1 may help achieve community and owner uptake of overall project design. Include any alternate or supplemental suggestions which you think would enhance the approach described. Describe any innovation that you may consider bringing to the parking alternatives analysis.

5.3.3 Describe the firm or team’s experience with developing a comprehensive sustainability program in the manner described in section 3.1. Describe an approach that you see as fit for this project and how you may incorporate innovation into this part of the project design.

5.3.4 Describe the firm or team’s experience with using modular construction in the innovative manner described in section 3.1. Describe whether you think this will be an approach that you see as fit for this project and how you may incorporate innovation of this kind. Describe your level of expertise with modular design as it relates to multifamily building codes and state and local permit process and effect on project sequencing and timeline.

5.4 PROPOSED HOURLY RATES, HOURS AND FEES, SCHEDULE, CONTRACT, INSURANCE

5.4.1 For each Part described in Section 3.0 Scope of Services, fill out the Excel workbook of rates, hours and fees and include a screenshot or copy of the tables of proposed hourly rates, hours and fees in your proposal document as well. Make any modifications to the table as you see appropriate for the project, but please try to keep the same general format to help the evaluators. Describe any alternates as necessary, and please be clear in describing what is your base bid and then how alternates would replace or otherwise modify the base bid scope, hours, fees and/or schedule. Include annual escalation as needed. Provide clear notes or other form of delineation in your proposal document and in your worksheet about your ability to guarantee rates and estimated hours going forward for each Part of Scope to be added as future additional services. If you are unable to guarantee rates, hours or fees for some of the scope Parts described in Section 3 Scope of Services, please explain clearly so that the evaluation team can see what you can and cannot guarantee as part of your proposal.

5.4.2 Provide a proposed schedule, timeline or list of milestone dates which will be achievable in your estimation and describe the degree to which (and why) this varies from the desired timeline as described in Section 3 of this RFP. If there is a need to vary the timeline from that described earlier in this RFP document, please provide description of how so and rationale for such modification to the timeline.

5.4.3 Provide a statement affirming your ability to meet the insurance terms listed in the attached proposed contract. If you are unable, you must describe any specific exceptions taken to the insurance requirements listed in the attached proposed contract. Exceptions taken to the insurance terms after selection, if not included in the written proposal, may be grounds for disqualification.

2021-150 Architecture & Engineering Design Team for the "Lumberyard" Affordable Housing Development
April 19, 2021
5.4.4 Provide a statement affirming your ability to sign the attached proposed contract, including all terms as currently written. If you are unable, you must describe any specific exceptions taken to the written terms in the attached proposed contract. Exceptions taken to contract terms after selection, if not included in the written proposal, may be grounds for disqualification.

## 6.0 ADDITIONAL REQUIREMENTS

### 6.1 CONTRACT

The selected firm will be asked to sign the attached proposed contract document. Provide a response in your proposal to section 5.4.5 above.

### 6.2 INSURANCE

The attached proposed contract document includes the insurance terms displayed below. Provide a response in your proposal to section 5.4.4 above.

§ 2.6 The Architect shall maintain the following insurance for the duration of this Agreement. If any of the requirements set forth below exceed the types and limits the Architect normally maintains, the Owner shall reimburse the Architect for any additional cost.

§ 2.6.1 Comprehensive General Liability with policy limits of not less than Two Million dollars ($ 2,000,000 ) for each occurrence and in the aggregate for bodily injury and property damage.

§ 2.6.2 Automobile Liability covering owned and rented vehicles operated by the Architect with policy limits of not less than One Million ($ 1,000,000 ) combined single limit and aggregate for bodily injury and property damage.

§ 2.6.3 The Architect may use umbrella or excess liability insurance to achieve the required coverage for Comprehensive General Liability and Automobile Liability, provided that such umbrella or excess insurance results in the same type of coverage as required for the individual policies.

§ 2.6.4 Workers' Compensation at statutory limits and Employers Liability with a policy limit of not less than One Million dollars ($ 1,000,000 ).

§ 2.6.5 Professional Liability covering the Architect's negligent acts, errors and omissions in its performance of professional services with policy limits of not less than One Million Dollars ($ 1,000,000 ) per claim and in the aggregate.

§ 2.6.6 The Architect shall provide to the Owner acceptable certificates of insurance evidencing compliance with the requirements in this Section 2.6 prior to commencement of the work and thereafter upon renewal or replacement of each required policy of insurance. The insurance policies required by this Section shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire without at least 30 days' prior written notice to the Owner. An additional certificate evidencing continuation of professional liability coverage shall be submitted with the final Application for Payment. Information concerning reduction of coverage or account of claims paid under the policy shall be furnished by the Architect with reasonable promptness.

The certificates will show the Owner as an additional insured on the Comprehensive General Liability, Automobile Liability, umbrella or excess policies.

§ 2.6.7 Governmental Immunity: The parties hereto understand and agree that Owner is relying on, and does not waive or intend to waive by any provision of this contract, the monetary limitations (presently $350,000.00 per person and $1,000,000 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101 et seq., C.R.S., as from time to time amended, or otherwise available to Owner, its officers, or its employees.

§ 2.6.8 Owner's Insurance: The parties hereto understand that the Owner is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA) and as such participates in the CIRSA Property/Casualty Pool. Copies of the CIRSA policies and manual are kept at the City of Aspen Finance Department and are available to Contractor for inspection during normal business hours. Owner makes no representations whatsoever with respect to specific coverages offered by CIRSA. Owner shall provide reasonable notice of any changes in its membership or participation in CIRSA.

§ 2.6.9 Deductible: The Architect shall pay any amounts not covered under these policies because of a deductible on the insurance policies provided by the Architect.
6.3 INTERESTS OF THE CITY OF ASPEN

6.3.1 The City of Aspen reserves the right to reject any or all Proposals or accept what is, in its sole judgment, the Proposal which is in the City's best interest. The City further reserves the right, in the best interests of the City, to modify this RFP process as it sees fit or waive any technical defects or irregularities in any and all Proposals submitted.

6.3.2 Proposals received after the deadline may not be accepted or considered. Receipt by the City of Aspen after the deadline shall not be construed as acceptance of the proposal. Proposals will be logged as to date/time received.

6.3.3 The successful Respondent is prohibited from assigning or subcontracting the whole or any part of the contract without the prior written consent of the owner.

6.4 CONFIDENTIALITY

Pursuant to the Colorado Open Records Act, C.R.S. Section 24-72-200.1 (CORA), any and all of the documents that are submitted to the City of Aspen may be deemed public records subject to examination and inspection by third parties. The City of Aspen reserves the right, at its sole discretion, to release for inspection or copying any document, plan, specification, proposal or other writing submitted pursuant to this request. If any information contained within your proposal is in your opinion confidential, please note the confidential material as such and the City of Aspen will try to maintain confidentiality to the extent possible under state law.

7.0 LIST OF ATTACHMENTS

Be sure to obtain the exhibits listed below:

- Excel workbook of hourly rates, hours and fees (.xlsx)
- Proposed AIA B132 Contract Document (modified with specific City of Aspen terms and conditions)