

**AGENDA FOR THE  
ENGLEWOOD CITY COUNCIL  
STUDY SESSION  
MONDAY, AUGUST 25, 2014  
COMMUNITY ROOM  
6:00 P.M.**

**I. 2014 Citizen Survey Results**

Tom Miller, President and CEO of the National Research Center will present the findings of the 2014 Englewood Citizen Survey.

Support materials: <http://www.englewoodgov.org/our-community/news-and-events/citizen-survey-results>

**II. Colorado Housing and Finance Authority Letters**

Community Development Director Alan White will be present to discuss the letter to Colorado Housing and Finance Authority related to the proposed Foundry I Project.

**III. City Council Salaries**

City Council will discuss their salaries.

**IV. Board and Commission Reports**

City Council will discuss the boards and commission on which they serve.

**V. City Manager's Choice.**

**VI. City Attorney's Choice.**

**VII. Council Member's Choice**

A. What information is requested to help determine options to pursue at Study Session on September 8, 2014?

- Past Fire studies
- Scope of 2014 Fire study and timeline
- Scope of 2015 Fire study and timeline



# M E M O R A N D U M

## C O M M U N I T Y D E V E L O P M E N T

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TO: Mayor Penn and City Council

THROUGH: Gary Sears, City Manager

FROM: Alan White, Community Development Director

DATE: August 19, 2014

SUBJECT: Letter to CHFA regarding the Foundry I Application

On July 14, 2014 Mayor Penn received letters from the Colorado Housing and Finance Authority (CHFA) requesting comments on two applications they received for Low Income Housing Tax Credits: The Broadway Lofts Project (EURA and City property) and Foundry I (GIW property). The questions are: 1) Whether the proposed project is consistent with the development and preservation of the housing plan in the community, 2) If it not consistent, explain why, and 3) Other comments.

Council discussed responses for the two letters on July 28<sup>th</sup>. The response about the Foundry I Project indicated that although the site is a key development parcel in the City, it is a lower priority for redevelopment than the Broadway Lofts project. (See attached letter.)

On August 4, Scott Yeates of SW Development and developer of the Foundry I Project, spoke to Council about the project and requested that a revised letter be submitted that omitted any reference to the project being a lower priority. Council requested that the letter be discussed at study session and that elevations of the project be provided. An elevation is included on page 3 of the CHFA application.

### Attachments:

- Letter to CHFA regarding the Foundry I Project
- CHFA Application for Foundry I
- Council Request Response Regarding Affordable Housing
- SW Development Presentation
- Draft Revised Letter to CHFA Prepared by SW Development



*financing the places where  
people live and work*

1981 Blake Street  
Denver, Colorado 80202

NOTIFICATION TO THE LOCAL JURISDICTION  
CHIEF EXECUTIVE OFFICER  
2014 LOW-INCOME HOUSING TAX CREDIT PROGRAM

July 14, 2014

The Honorable Randy Penn  
Mayor of City of Englewood  
1000 Englewood Parkway  
Englewood, CO 80110

Re: Foundry I

Dear Mayor Penn:

The Colorado Housing and Finance Authority (CHFA) is, by executive order of Governor Hickenlooper, administrator of the Federal Low-Income Housing Tax Credit Program (LIHTC) in Colorado. The LIHTC program was created by the 1986 Tax Reform Act to encourage the production and preservation of affordable rental housing. The LIHTC is a ten-year federal income tax credit available to owners of low-income housing who commit to keeping the units' rent and income restricted for a minimum of 15 years.

By law, CHFA is required to notify the chief executive officer of the local jurisdiction where a LIHTC project is being proposed for the purpose of providing an opportunity for comment on the proposed project. We would appreciate your assistance in this matter.

Please provide us with your comments on the attached form, attach any additional information, and sign and return the form to our office as soon as possible.

Sincerely yours,

Paula K. Harrison  
Tax Credit Program Officer

colorado housing and finance authority

303.297.chfa (2432)

800.877.chfa (2432)

toll free

303.297.7305

tdd

[www.chfainfo.com](http://www.chfainfo.com)

## NOTIFICATION TO THE LOCAL JURISDICTION

Project Name: Foundry I  
Project Address: 601 W. Bates Avenue,  
Project Sponsor: SW Development Group, LLC  
Type of Project: New Construction  
Number of Units: 70 low-income units, 70 total units

1. Do you view this proposed project as being consistent with the development and preservation of the housing plan in your community?

Please see attached

2. If proposed project is not viewed as consistent with local housing needs and priorities, please explain why.

Please see attached

3. Other Comments:

Signature

Mayor

Title

Kandy T. Perry

Print Name

Return this portion to:

CHFA, Attention: Paula K. Harrison, Tax Credit Program Officer  
1981 Blake Street, Denver, CO 80202  
or via email to:



CITY OF ENGLEWOOD  
CITY COUNCIL

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**Responses regarding Foundry I**

1. The project is consistent with the goals and objectives of the Housing Element of the City's Comprehensive Plan that seek to create a balance mix of housing opportunities serving the needs of all current and future Englewood residents. The Foundry I project meets the following objectives:

- Providing affordable housing for low- and moderate-income groups
- Providing housing that serves different life-cycle stages including housing for singles, couples, small families, empty nesters, and the elderly.

2. Not applicable since the project is consistent with needs and priorities.

3. Although a key development parcel in the City, it is a lower priority for redevelopment than the Broadway Lofts project. The parcel is a portion of the site of the former General Iron Works foundry which was closed in 1985. The Foundry I project would occupy a small portion of a larger area that has been used for storage of various materials over the years. The property was recently cleaned up under a VCUP and received a notice of no further action needed from CDPHE. Development of low income housing at this site would transform this area of the City and be a catalyst for further investment.

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Mayor Randy Penn, District 3 • Mayor Pro Tem Linda Olson, District 2  
Rick Gillit, District 4 • Joe Jefferson, District 1 • Bob McCaslin, At Large • Jill Wilson, At Large • Steven R. Yates, At Large

1000 Englewood Parkway • Englewood, Colorado 80110 • Phone 303-762-2310 • FAX 303-762-2408  
www.engagewoodgov.org • E-mail: council@engagewoodgov.org

# 9% lihtc application narrative



Project Name: Foundry I  
Project Address: 601 W. Bates Ave.  
Englewood, CO 80110

## **FOUNDRY MASTER PLAN:**

The Foundry is a 10 acre mixed-use master plan development located at the prior General Iron Works site in Englewood, CO. The overall development plan is proposed to include two phases of affordable multifamily housing, market-rate multifamily housing and creative office-flex space similar to the office developed at Taxi in Denver’s River North. Phase II of the Foundry Master Plan includes the 10 acre Winslow Crane Service Co. site located at the northeast corner of Dartmouth and Sante Fe. This extension of the development will include additional housing, commercial and structured parking. The full Foundry redevelopment has been rezoned as described in the entitlement section of the narrative. The development team is working with RTD and the City of Englewood to finalize plans for a pedestrian bridge over Dartmouth Avenue, a pedestrian and biking path connecting the site to the bridge and an RTD operated Art Shuttle bus line stop at Fox Street & Bates. Internal circulation of the master planned development will include sidewalks, bike lanes and a gravel multi-modal path to promote a healthy active lifestyle. The Foundry received zoning approval in April of 2013 and a No Action Determination for environmental in June 2014. Multiple townhome and multifamily developers have presented offers to purchase the site. Foundry I as presented herein is an opportunity to include an affordable housing community into this exciting infill redevelopment.

## **FOUNDRY I OVERVIEW:**

Foundry I is the first development in the overall Foundry master plan and is a proposed 70-unit affordable multifamily development located at the southeast corner of the site, at W Bates Ave & S Elati Street (the “Project”). The Project will be developed by SW Development Group and will be owned by a real estate company owned by the Winslow family. ShopWorks Architecture leads the design team and Kimley Horn is in process of completing the civil design. Shaw

Construction has been selected as the general contractor based on a competitive process. ComCap Asset Management will be the property management firm. The qualified development team is outlined in more detail later in the narrative.

### Foundry I Location

Foundry I is located within five blocks of the Englewood light rail station, within ¼ mile of three active RTD bus stops, two blocks to a community garden, a 5 minute walk to Cushing Park and within close proximity to multiple schools, grocery centers, retail services, restaurants, the Englewood recreation facility and the Englewood library. The site is within a 6 minute walk to the Broadway corridor that the City of Englewood and private developers have recently made significant strides to redevelop into a thriving business and retail corridor.

There has been planning by the City of Englewood and RTD for a proposed light rail station at West Bates Avenue and the light rail line just a block west of the Project. While there is no funding for this station in the short term, and the long-term status and viability of this “proposed” station is not clear, obviously a light rail station if built at that location would be extremely positive for the Project.

The property is one mile southwest of Porter Adventist Hospital and one mile northwest of Swedish Medical Center, two of the leading medical facilities in the Denver metro area. Hospitals within close proximity offer both healthcare and strong employment opportunities with hundreds of jobs. Due to its location south of the CBD and close to bus lines and a major light rail line, the property has excellent access to a large number of employers. There are numerous employment opportunities with businesses located in nearby downtown Denver, the southern suburbs, the Denver Tech Center and the western suburbs; all only a short distance away. Future residents will benefit from the abundance of walkable amenities, proximity to employment centers and access to public transportation that this site so greatly affords.

### Foundry I Building

The 71,558 square foot buildings include 58,100 net rentable square feet, a 2,500 sf community amenity space, a 500 sf property management office and 10,458 sf of circulation space. There are 42 one-bedroom units that are 750 sf and 28 two-bed units that are 950 sf. All units will have a private balcony or patio, an open floorplan, 9’ ceilings, elongated windows, storage room in units, walk-in closets, washer and dryers provided in units, a full Energy Star appliance package and luxury vinyl plank flooring throughout with carpet in bedrooms. All two-bed units will have two full baths. The Project will have a 2,500 square foot indoor clubhouse that will

include a gym, a business center with free Wi-Fi, a kitchenette and a large community room complete with furniture, television, Nintendo Wii, board games and a Ping-Pong table. There is a large outdoor community courtyard as described below.

The Project has been designed with two central boilers to serve all hot water needs, including individual fan coil heating units for each apartment. This highly energy efficient approach will reduce overall utility usage of the Project as well as reduce long-term maintenance needs for the ownership. Units will have air conditioning sourced from individual roof mounted air condensing units and multiple operable windows for light and fresh air. The Project will be designed and has been budgeted to meet Energy Star V.3 and Enterprise Green standards. The development team has recent experience designing to these standards on two separate Boulder projects and understands the best approach to achieve the energy efficiency standards.

The Project consists of two wood-framed buildings that range in height between two-stories and three-stories. The drop in elevation to two-stories allows for the preservation of mountain views to the West. The exterior of the project has been designed to complement the previous foundry architecture. This includes elongated buildings with low sloping roofs that will be clad with corrugated galvanized panels. Painted balcony screens will create interest by adding color and articulation to the building's facade. The south face of the building will have a reclaimed brick veneer with high pitched metal roofs. Each stair core and the railings of the project will be constructed with steel to further enhance the architectural design. The single-loaded covered corridors promote a sense of community that looks over an intimate outdoor community courtyard. The outdoor courtyard includes shade trees, patio furniture, a fire pit, a children's tot lot, a trellis and bbq grills. The Project provides 80 off-street parking spaces (including 11 tuck-under) in an access controlled parking lot. There are an additional 48 existing on-street parking spaces adjacent to the Project boundaries on Bates and Elati.



## Foundry I Market

All 70 units will be rent restricted for a period of 40 years to households earning at or below 60% AMI. 17 of the 70 units (24% of total units) will have rents at 40% AMI, 18 of the 70 units (26% of total units) will have rents at 50% AMI and the balance of the 35 units will serve households at 60% AMI.

The primary market area is generally Mississippi to the North, University to the East, Belleview to the South and Sheridan to the West. The market analyst found that there are 21,613 renter households in the market area and that 41% of all renters in the PMA are a one-household renter while 81% of renters in the PMA are between a one-person to three-person household. Less than 20% of all renters are a 4-household+. Therefore, the unit mix was designed with 60% one-bedroom units and 40% two-bedroom units to correctly serve this market. Of the 21,613 total renter households, 6,968 households are income eligible for 60% AMI and less. There are only 262 existing units serving this population, the equivalent to a 3.8% existing capture rate. The addition of the Project's 70 units will still leave 6,636 households underserved and the capture rate at 4.8%. Information provided by CHFA indicates that Evan's Station (delivered in PMA) had in-migration exceeding 95%, which further supports the market demand but cannot be accurately quantified.

The Project is located in a Market Area with a relatively low number of comparable/competing LIHTC projects. Much of the inventory is older, smaller projects with the exception of several newer communities. The Market Study indicates the Project will benefit from having larger units and more amenities than the market comparables and that there is sufficient demand to support this Project. Of the total 262 comparable LIHTC units in the market area, only one unit is vacant representing a market vacancy of 0.30%. A chart of comparable properties, number of units, proximity to Foundry I and vacancy is below. The Project is well positioned to provide affordable housing given the amenity rich location, potential to be a part of a larger mixed use development and proximity to the surrounding established residential neighborhood.

	<b>Foundry I</b>	<b>Evans Station Lofts</b>	<b>Canterbury</b>	<b>Mount Loretto</b>	<b>Renaissance Loretto Heights</b>	<b>Broadway Junction</b>
<b>Number of Units</b>	70	50	43	70	76	60
<b>Year Constructed</b>	2015	2013	1973	2005	1997	2009
<b>Distance from Subject (miles)</b>	0.00	1.10	1.10	1.90	2.30	2.50
<b>Vacancy (units)</b>	NA	0	0	1	0	0
<b>Waiting List</b>	NA	25	27	598	300+	300+

## Foundry I Team and Ownership

The long-term ownership of Foundry I will be members of the Winslow Family, a family that can trace its roots in Colorado back 100+ years with a long history in the State's real estate and construction industries. A few notable ventures include Winslow Crane Service Co., Leyden Properties, LLC, Winslow Construction Co. and Sand Creek Investors, LLC. For more than 60 years the Winslow's have focused on investing in quality real estate, actively managing partnerships and other fiduciary relationships for successful real estate investments throughout Colorado and Arizona. Real Estate investments and ownership include office, land, retail, single-family and multifamily, including a new multifamily project currently under construction in Glendale.

Foundry I will be developed by SW Development Group, LLC. SW Development Group and its principal Scott Yeates have been involved in multiple recent 4% and 9% LIHTC projects. Mr. Yeates contributed and facilitated the successful strategy, budgeting, financing, entitlement, compliance during development, design and construction management for Yale Station Apartments (9% LIHTC), Ledges on 29<sup>th</sup> (4% LIHTC/PAB) and Lumine on 28<sup>th</sup> (4% LIHTC/PAB). Recently SW Development Group contributed to the successful completion of University Station Apartments, facilitating the financing of the project and contributing to the overall development strategy. Mr. Yeates has been involved in all aspects of the financing for 9% and 4% low income housing tax credits including the negotiation of syndicator, lender and loan documents, managing the underwriting process and closing tax credit equity, construction debt, permanent loan forward-commitments, State and local HOME funds, TCEP funds and FHLB funding. With four projects under construction in 2014, SW Development Group is current on construction costs and has relationships with major subcontractors to help facilitate competitive costs in the current cost sensitive market. SW Development Group has successfully entitled multiple market rate and affordable multifamily projects including Site Plan Approval for over 400 units in Denver, a recent 120-unit rezoning in Arvada and a recent 100-unit rezoning and comprehensive plan amendment in Broomfield. Mr. Yeates and SW Development Group will provide overall project orchestration and management throughout the project, including the lease-up and stabilization phases.

ShopWorks architecture is the selected architecture firm for the project. Chad Holzinger and his firm are a perfect fit for Foundry I based on Mr. Holzinger's history growing up in an ironworks environment and his deep resume of completed LIHTC projects. Chad Holzinger, as a partner at Oz and more recently as founder and owner of ShopWorks, has completed in excess of 900 affordable units and brings with his design an understanding of efficiency and

perspective to establish a quality built community. ShopWorks has designed Foundry I to be reminiscent of the building form and materials of an ironworks foundry while having all the bells and whistles of a new construction apartment community.

Shaw Construction has been selected as the general contractor for Foundry I based on their experience in 9% and 4% LIHTC multifamily, previous experience building a 9% LIHTC project in Englewood, the project team, proximity to the site and their approach to managing material & labor cost escalations. Shaw has implemented an in-house framing specialist and strategy to address both framing and drywall escalations by providing detailed framing estimates in house, procure material directly, manage the usage of material onsite and manage labor subcontractor directly. Kristie Walters, Shaw's project manager, is involved in the project design and estimating from day one, ensuring both that all design elements are reviewed for cost and efficiency and that there will not be a gap of information critical to the project delivery. We are 100% confident in Shaw's ability to proactively manage potential cost escalations and work with the ownership and development team to ensure a high quality building is delivered.

ComCap Asset Management has been selected as the property manager for Foundry I. In addition, Arthur McDermott is acting as a consultant to the Project to ensure its long-term success. With over 25 years of experience, ComCap has been able to apply a keen understanding of the Colorado real estate market to the area of property management. The team ComCap puts in place, including a fulltime compliance manager, is highly skilled in managing tax credit housing properties. Our previous experience with ComCap on lease-up, compliance and ongoing property management has been that they offer an experienced approach and the result is flawless.

### Entitlement

Bryant Winslow, in concert with the City of Englewood, has spent 10+ years meeting with the community and re-zoning the assembled land with the vision of one day repurposing the parcels for a mixed use development that focused on reintroducing families back into the north Englewood landscape. The surrounding neighborhood and Englewood community at large has been actively engaged in the process to approve the PUD and allow for the residential uses. Foundry I is part of the approved Sand Creek PUD and allows for residential uses including low, medium and high density multifamily. Per the zoning letter enclosed in the application, Foundry I has been reviewed by the Englewood Planning staff and the proposed plan is in conformance with the approved PUD.

The ownership and development team has been actively engaged with the City of Englewood for the proposed Foundry I project. The Project is of such importance to the City of Englewood that the Community Development Director attends all meetings and the assistant City Manager attends when he is available. Foundry I has been well received by City planning staff and the engineering departments. The Project has been through concept review with the City of Englewood and the proposed plan for Foundry I is in conformance with the PUD and Englewood's building/planning standards. Site Plan Approval is a typical 4 -5 month process and all parties have been engaged to date in support.

### Environmental

General Iron and its foundry has served as a landmark in Englewood dating back to the 1930's – many familiar with Denver will surely remember those large old green buildings that could be seen for miles up and down Santa Fe Drive. During its heyday the General Iron Foundry was one of Englewood's largest employers and manufactured many important American parts and products including many used to support our military in World War II. After the plant shut down, many of the buildings fell in disarray and much time and effort was required to clean up the site and prepare it for redevelopment. Sand Creek Investors, LLC remediated the site (primarily foundry sands contamination) under the Colorado Voluntary Cleanup Program and the ownership received a No Action Determination (NAD) for the General Iron Works Site on June 18, 2014. The NAD specifies that residual soil and groundwater contamination will be controlled through institutional controls. Such institutional controls, as more detailed in the Phase I, include an identification barrier that has been placed over environmental conditions. Foundry I is situated in an area least impacted by the environmental impacts of the overall site and the identification barrier is only located over a small area to the north of the subject property under the parking lot.

### Development Cost

SW Development Group, ShopWorks and Shaw have worked closely to design a Class A multifamily project. The project will benefit from mechanical, electrical, plumbing and coordination cost savings with only two unit types (one-bed and two-bed/two-bath). Additionally, the corridor design will reduce the number and cost of stair cores. The site generally has minimal grade and is adjacent to appropriately sized water, sanitary and storm utilities as have been confirmed by Englewood Engineering. Therefore, there are no offsite costs to finance and site work costs are reduced. Further, the City of Englewood offers highly competitive permit, use tax, tap fees and impact fees that significantly reduce the cost to develop this project. The above cost efficiencies, combined with competitive soft cost contracts

and no consultant fees result in a competitive development cost and reduced tax credit request.

### Financing

Foundry I will be financed with low income housing tax credit equity, a City of Englewood grant, deferred developer fee and a forward-committed permanent loan as indicated below. While the property is located within a Qualified Census Tract, the tax credit request only accounts for approximately 14% of the allowed 30% basis increase. This has been achieved through the Englewood incentive soft funds and ownership’s commitment of additional deferred developer fee. The banks and institutions that provided letters of intent have all reviewed initial financial information regarding the ownership and have a high level of comfort with their financial security.

Tax Credit Equity	\$ 9,650,679
Permanent Debt	\$ 3,365,000
Englewood Soft Funds	\$ 101,110
Deferred Developer Fee	\$ 435,000
<b>Total</b>	<b>\$ 13,551,789</b>

### **SPECIFICS TO BE ADDRESSED IN THE NARRATIVE:**

1. Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:
  - Serving the lowest income tenants. Foundry I will provide 50% of its total units or 35 units to households earning 50% AMI or lower. 24% of the total units or 17 units serve households earning 40% AMI.
  - Support projects in a QCT. Foundry I is located in a qualified census tract. The site location/census tract is surrounded by 9 additional QCT’s within the primary market area.
  - Distribution of tax credits. Per the market study, “The inventory of affordable apartment complexes in the Denver metro area, and specifically Denver and Arapahoe Counties, is extensive. Despite this, the subject market area in the northwestern portion of the City of Englewood, along with extreme southwestern Denver County, does not have a large number of LIHTC properties currently. Award

of tax credits to this project will help facilitate an affordable housing void that has a current capture rate of 3.8%.

- To provide opportunities to a variety of qualified sponsors. The Winslow family has been active in Colorado real estate and construction for over 60 years. Their focus of infill development, commitment to affordable housing and interest in long-term ownership is a perfect fit for a LIHTC sponsorship.
- To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail and lightrail. Foundry I is located less than ½ mile from multiple bus stops (Broadway 0 and Yale 27) that account for more than 1,000 trip stops per week. In addition, Foundry I is located 6 blocks from Englewood light rail station (0.7 miles south). There is a RTD proposed light rail station at Bates Ave, within 100' of the site. While the station has not been finalized or funded, the potential for a future station is possible.
- To reserve credits for as many rental housing projects as possible. Foundry I is requesting the equivalent of \$14,213 of annual credit/unit for 70 total units. This is achieved through a market supported project, a qualified development team, a ready to proceed project with an increased deferred development fee and a grant by the City of Englewood. The Project request is comparatively 20% lower than the \$17,890 average annual credit/unit awarded in the first round of 2014.

2. Describe how the project meets the criteria for approval in Section 2 of the QAP (if not described in Foundry I Overview narrative):

- Market conditions. The demand for affordable rental housing in the Foundry I market area is very strong. Of the 6 comparable properties, vacancies are nearly non-existent, with only Mount Loretta having one vacant unit at the time of the market study. There are collectively 600+ households on waiting lists for the comparable properties and 6,706 affordable renter households remain underserved in the market.
- Readiness to Proceed. Foundry I is zoned and is a priority project supported by the City of Englewood (as is evidenced in their letters and public website). The Project stands on its own and is not dependent on other infrastructure improvements. Soft funds from the City of Englewood are tied to the Project and

are a grant based on fees paid; therefore, there is not a financial risk of the funds approval or availability of funds. The development team and ownership are both highly qualified for the Project and committed to the long-term success of the project. The development costs account for potential escalations and the tax credit request is very competitive for the number of units being delivered. Multiple lenders and tax credit syndicators have reviewed the project and have expressed interest. The development team is ready to fully engage in the development of the project following an award.

- Overall Financial Feasibility. Foundry I is financially feasible to complete as budgeted; for cost, equity pricing, debt pricing, revenue and expenses. SW Development Group and this team have a track record of delivering successful projects to meet the budget and exceed expectations on leasing timeframes. Additionally, the debt is clearly supported by the calculated revenue and expenses.

3. Address any issues raised by the market analyst in the market study submitted with your application

- The only issue raised by the market analyst in the market study mentions the proximity to the major light rail line and RTD facility. Notwithstanding, the market analyst notes that future commercial and residential phases of the larger master development will help to buffer the actual subject building. The applicant's response to the market study addresses this mitigated concern. In summary Foundry I is the first stage of a mixed-use, mixed-income master planned community that will provide residential and commercial uses to the site. Foundry I is positioned adjacent to existing residential and will be buffered from the rail line and the RTD facility by future commercial and residential projects.

4. The market study and development team have identified the following Foundry I Strengths:

- Opportunity to include affordable housing at one of the largest infill redevelopments in the Denver metro market
- Strong location near downtown Englewood and with good access to the nearby Denver CBD

- Centered between three major employment hubs in the Denver metro area: downtown Denver, the Denver Tech Center and the southern and western suburbs.
- Future subject residents will have excellent access to neighborhood schools, major medical facilities, a local library branch, local shopping, and a nearby light rail station.
- Close proximity to a community garden and Cushing Park
- The subject property has a well-balanced unit mix that matches up well to the anticipated tenant profile.
- An abundance of both exterior and interior amenities
- Proximity to recently redeveloped south Broadway retail corridor
- Strong affordable unit demand across all AMI levels and unit floor plan sizes.
- Limited competition for the subject in the Primary Market Area, and even less in the immediate neighborhood of the subject site.
- Stable market with 0.3% vacancy and over 600 households on waiting lists
- A qualified development, design, construction and property management team
- A financially secure and capable ownership
- Potential for project to be within one block of a future light rail station
- A second full bathroom in the two-bedroom floor plans at the subject differentiates it from most of its competitors.
- In-unit washers and dryers are an amenity that will help to set this project apart from other competing complexes.
- 4.8% capture rate after Foundry is delivered



# M E M O R A N D U M

**To:** Mayor Penn and Council Members  
**Thru:** Gary Sears, City Manager  
 Alan White, Community Development Director  
**From:** Harold J. Stitt, Senior Planner  
**Date:** August 5, 2014  
**Subject:** Council Request 14-121 – Affordable Housing Comparison

Council has requested information on affordable housing in Englewood. Specifically, what is the percentage of affordable housing projects to market-valued properties in Englewood; and how does Englewood’s percentage compare to other metro area communities? To better define what an affordable housing unit is, the concept of affordability needs to be considered.

### Affordable Housing Units

There is little information available concerning the number of affordable verses market rate housing units in Englewood. One distinction that may be useful is to differentiate rental assisted housing units from all other units in the City. Most commonly, rental housing assistance is provided in one of two ways, either as a direct subsidy to a renter or homeowner through the federal Section 8 housing voucher program or as housing tax credits to residential developers as in the case of the Low Income Housing Tax Credit program (LIHTC) administered by the Colorado Housing and Finance Authority (CHFA.)

To qualify for either of these two types of programs, family income must be below certain thresholds. The federal Department of Housing and Urban Development (HUD) establishes these thresholds for each metropolitan area in the US. The basis of this threshold is the Area Median Income (AMI.) AMI can be calculated for families of any size however, it is most commonly shown for a family of four. Each subsidy program bases eligibility on a percentage of AMI. The Denver area AMI for a family of four is \$76,600 per year. HUD administered programs classify family income into three categories: Low Income (80% of AMI), Very Low Income (50% of AMI), and Extremely Low Income (30% of AMI.) The AMI income limits by family size for the Denver area are:

Family Size	1	2	3	4	5	6	7	8
<b>Low (80%) Income Limits</b>	\$42,950	\$49,100	\$55,250	<b>\$61,350</b>	\$66,300	\$71,200	\$76,100	\$81,000
<b>Very Low (50%) Income Limits</b>	\$26,850	\$30,700	\$34,550	<b>\$38,350</b>	\$41,450	\$44,500	\$47,600	\$50,650
<b>Extremely Low (30%) income Limits</b>	\$16,100	\$18,400	\$20,700	<b>\$23,000</b>	\$24,850	\$26,700	28,550	\$30,400

Using these three AMI income levels provide a base from which to have a common definition of what “low income” means. This common definition also helps to eliminate the confusion and misperceptions so often exhibited by the public concerning what qualifies as “low-income.” As a point of reference, the U.S. Census Bureau’s 2012 American Community Survey (ACS) estimated that the median household income for Englewood was \$44,400. In addition, by way of example, the following table illustrates various occupations hourly and annual salaries.

Hourly Salary	Annual Salary	Sample Occupation
\$10.94	\$22,750	Bank teller, childrens’ services group leader or classroom assistant
\$18.25	\$37,950	1 <sup>st</sup> thru 4 <sup>th</sup> year teacher with BA, code enforcement technician, administrative assistant, street equipment operator
\$21.89	\$45,540	Entry level firefighter, 1 <sup>st</sup> or 2 <sup>nd</sup> year teacher with MA, property manager, police dispatcher

**Rent Assisted Units**

The Englewood Housing Authority (EHA) administers 393 Section 8 Housing Vouchers. To qualify for a Section 8 voucher the family income must be at or below 50% of AMI. For a family of four that is \$38,350. In addition, the EHA administers 100 units at Orchard Place with eligibility at or below 50% of AMI, 105 units at Simon Center with eligibility at or below 80% of AMI, and 5 duplexes (10 units) with eligibility at or below 50% of AMI.

There are three Low Income Housing Tax Credit projects in Englewood for eligible families with incomes between 30% and 60% of AMI. The projects are Terraces at Pennsylvania (62units), Presidential Arms Apartments (33 units), and Canterbury Apartment (43units.) The EHA administered units and the three tax credit projects provide 746 rental assisted housing units or 5.3% of the 14,067 total occupied housing units in the City as reported by the 2012 ACS.

**Affordability**

Understanding the number and type of subsidized housing in Englewood is informative, but does not tell the whole story of housing affordability. In the United States, the commonly accepted guideline for housing affordability is housing costs that do not exceed 30% of a household's gross income. When the monthly carrying costs of a home exceed 30% of household income, then the housing is considered unaffordable and the household is housing cost burdened. However, the 30% affordability threshold is significantly different for a household with an annual income of \$20,000 as compared to a household with an annual income of \$200,000. Because the number of affordable units in Englewood is a function of household or family income, it is difficult to know precisely how many housing units are actually “affordable.” Likewise, at the higher income levels, households may choose to spend more that 30% on housing, an option that may be forced on lower income households due to the limited availability of suitable affordable housing.

The 2012 ACS provided estimates of cost burdened occupied housing units by income bracket. The tables on the following page present these data for Englewood, Littleton, and Denver. These data show that each community is similarly positioned in terms of the percentage of cost burdened housing units. The major differences between Englewood and the other two communities are in the higher percentage of occupied housing units that make up the \$49,999 and lower income brackets and the lower percentage of occupied housing units that make up the \$75,000 and higher income bracket. Overall, the percentage of cost burdened occupied households in Englewood is not significantly different from the other two community.

<b>Cost Burdened Occupied Housing Units*</b>				
<b>Englewood</b>	<b>Total Occupied Housing Units 14,067</b>			
<b>Household Income Bracket</b>	<b>Occupied Housing Units per income Bracket</b>		<b>Occupied Housing Units spending 30% or more for Housing</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$20,000	2,546	18.10%	2,237	15.90%
\$20,000 to \$34,999	2,687	19.10%	1,590	11.30%
\$35,000 to 49,999	2,448	17.40%	1,069	7.60%
\$50,000 to \$74,999	2,827	20.10%	774	5.50%
\$75,000 or more	3,292	23.40%	155	1.10%
Zero or Negative Income	183	1.30%		
No Cash rent	70	0.50%		
All Household Income Levels	14,067	100.00%	5,824	41.40%
<b>Littleton</b>	<b>Total Occupied Housing Units 18,434</b>			
<b>Household Income Bracket</b>	<b>Occupied Housing Units per income Bracket</b>		<b>Occupied Housing Units spending 30% or more for Housing</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$20,000	3,042	16.50%	2,599	14.10%
\$20,000 to \$34,999	2,654	14.40%	1,585	8.60%
\$35,000 to 49,999	2,065	11.20%	975	5.30%
\$50,000 to \$74,999	3,226	17.50%	922	5.00%
\$75,000 or more	7,060	38.30%	737	4.00%
Zero or Negative Income	277	1.50%		
No Cash rent	111	0.60%		
All Household Income Levels	18,434	100.00%	6,821	37.00%
<b>Denver</b>	<b>Total Occupied Housing Units 261,836</b>			
<b>Household Income Bracket</b>	<b>Occupied Housing Units per income Bracket</b>		<b>Occupied Housing Units spending 30% or more for Housing</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$20,000	48,400	18.50%	4,058	15.50%
\$20,000 to \$34,999	41,370	15.80%	2,802	10.70%
\$35,000 to 49,999	36,395	13.90%	1,545	5.90%
\$50,000 to \$74,999	43,727	16.70%	1,074	4.10%
\$75,000 or more	84,835	32.40%	628	2.40%
Zero or Negative Income	4,451	1.70%		
No Cash rent	2,618	1.00%		
All Household Income Levels	261,836	100.00%	10,107	38.60%

\*Source: U. S. Census Bureau, 2008-2012 American Community Survey

# Foundry

A Summary of “Affordable Housing” and overview of General Iron Works redevelopment for Englewood City Council

August 25, 2014

# What is Affordable Housing?

- Housing to Serve Medium Household Incomes

## Define Medium Household Income?

- Denver-Metro Area Medium Household Income

AMI	1 Person	2 Person	3 Person	4 Person
100%	\$53,700	\$61,400	\$69,100	\$76,700
80%	\$42,950	\$49,100	\$55,250	\$61,350
60%	\$32,220	\$36,840	\$41,460	\$46,020
50%	\$26,850	\$30,700	\$34,550	\$38,350
40%	\$21,480	\$24,560	\$27,640	\$30,680

# Define Affordable Households?

- Your Neighbors
- Your Co-Workers
- Children
- Seniors
- Educated Professionals
  - Hospital Workforce
  - Educator / Teacher
  - Entry Level Professional
  - Building Inspector
  - Municipal Staff
  - Technician
  - Construction Trade
  - Office Assistant
  - Paramedic
  - Service Industry
  - Sales Industry



# How Does Affordable Housing Work?

- Tenant/Owner Subsidies\*
  - Mortgage Interest Tax Deduction
  - Section 8 Housing Program
    - Rental assistance administered through local housing authority
- Project Based Incentives\*
  - LIHTC (low income housing tax credit)
    - Competitive allocation of tax credits
    - Tax Credit syndicated for equity
    - Rent restriction covenant
  - HUD Based Programs
    - “Project Based” Vouchers
    - HUD 221(d)3, Section 515 Rural, Etc.



\* Many additional subsidies and incentives exist

# Your Initial Impression of Affordable May Look Like

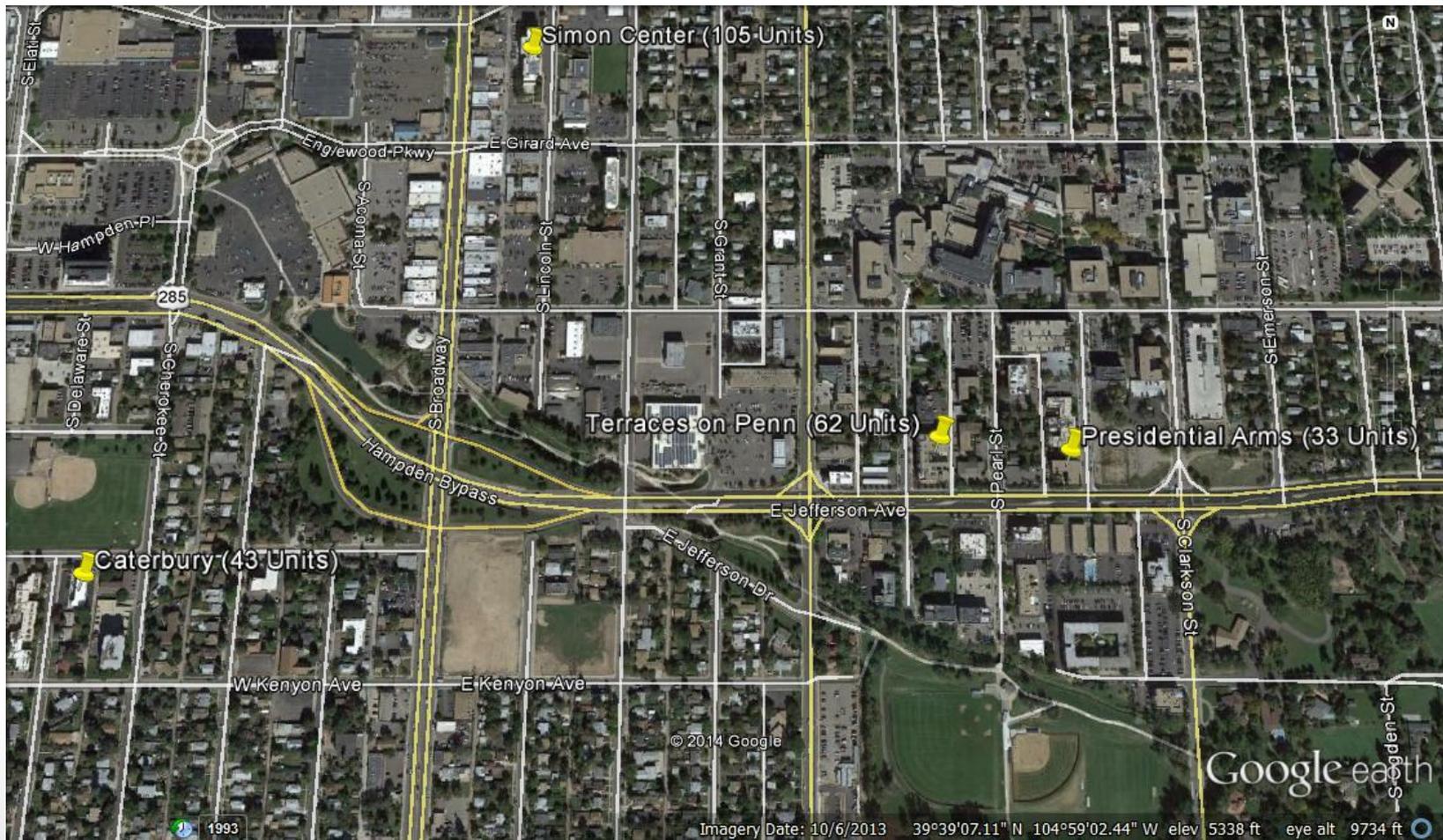


# What the Appearance of Affordable Housing is



# Englewood Affordable Housing

- Median Household Income = \$44,400
- Existing Affordable Rental Properties
  - 243 Units (76 Family, 167 Senior)



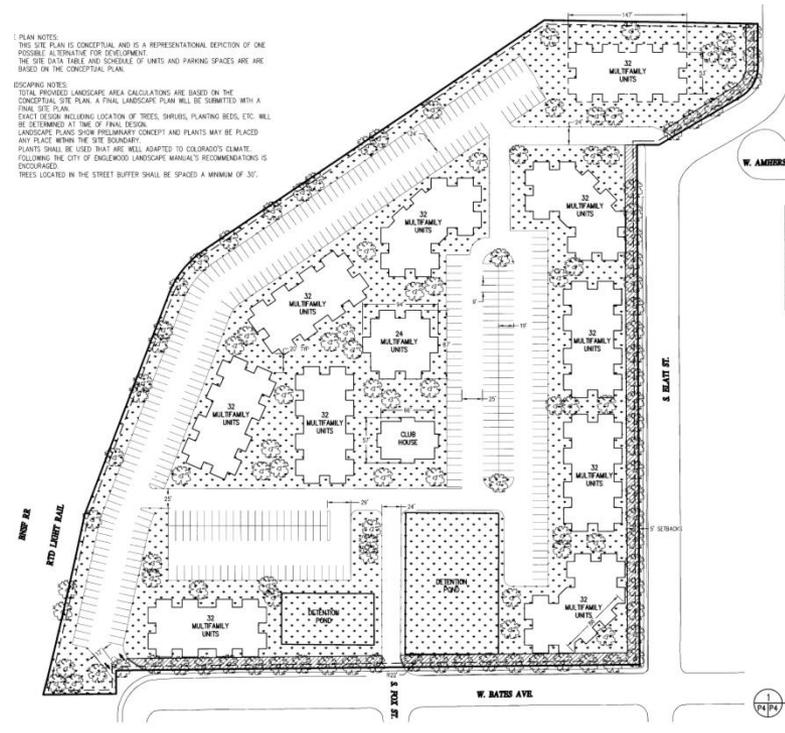
# Benefits of Affordable Housing

- Serve Housing needs
- Positive Impact on Local Economy
- Workforce
- Catalyst for Neighborhood Investment



# General Iron Works Site

- PUD Approved May 2013
- Zoning Allowed Uses
  - Residential
  - Commercial
  - Heavy Industrial
- Environmental & Market Uses
  - Multi-Family
  - Heavy Industrial
- Market Conditions

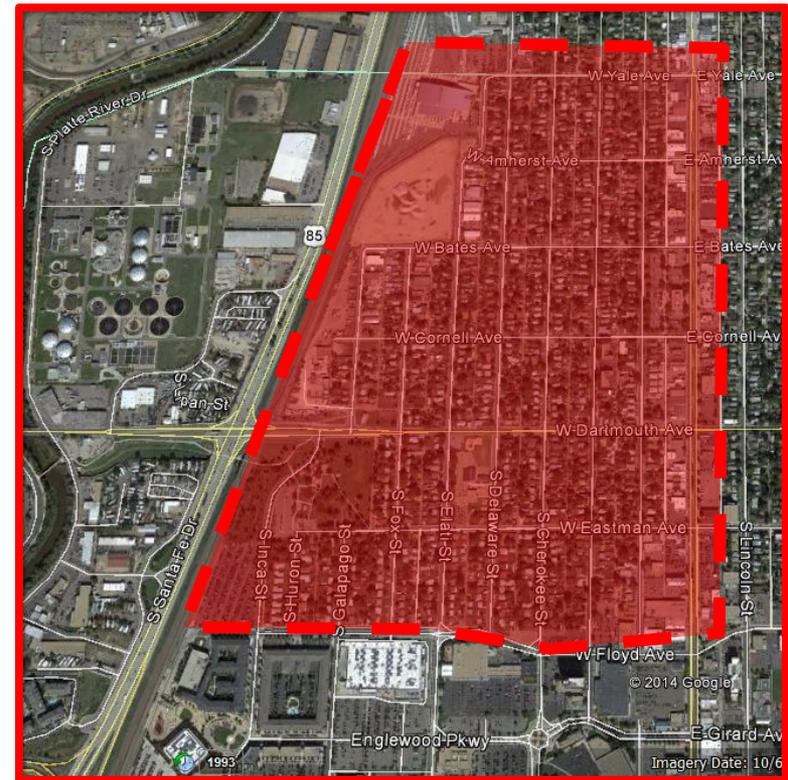


# GIW Redevelopment Impact

**Positive**  
**Multi-Family & Mixed-Use**



**Negative**  
**Industrial**



# The Foundry

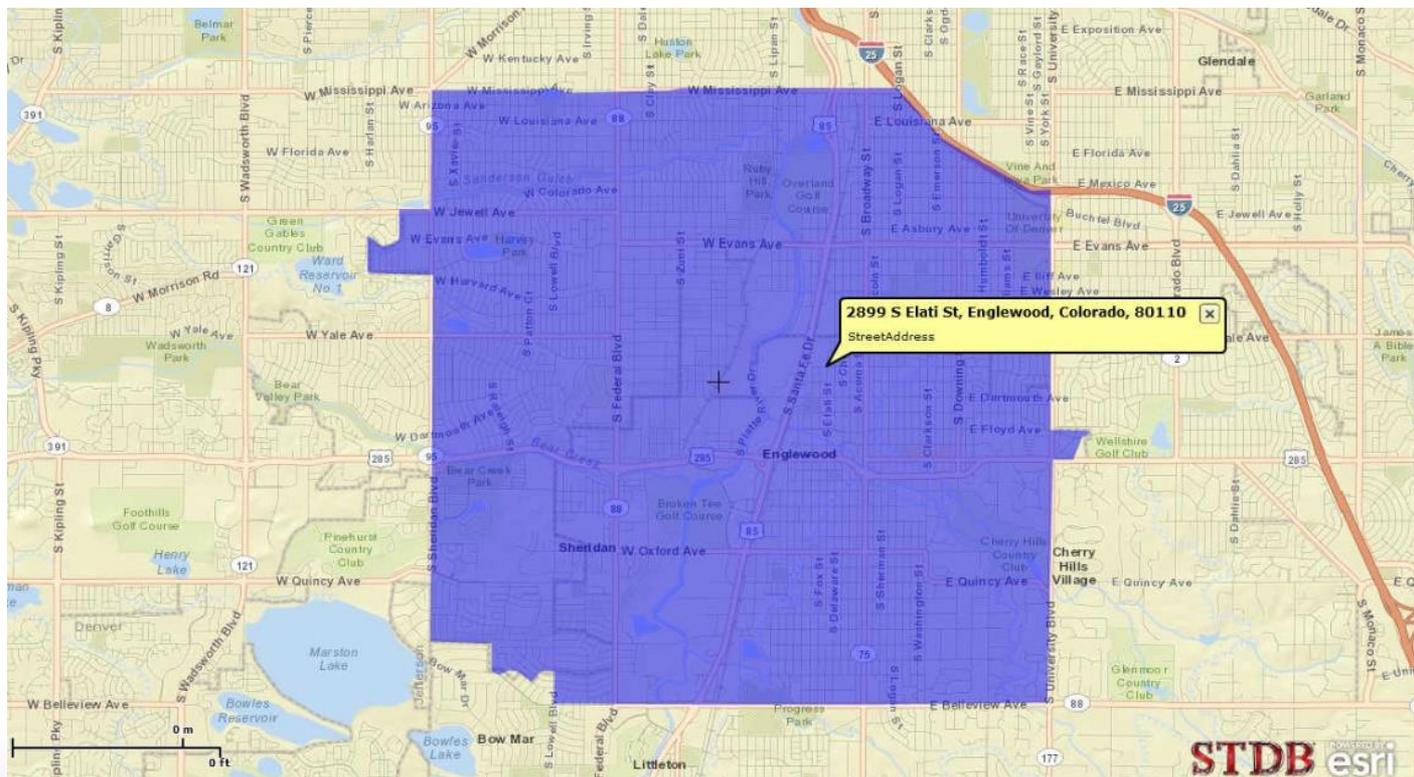
- 70 Total Units
- Family & Professionals
- Highly Amenitised Project
- Access to Transportation & Services



- **\$13.5 MILLION INVESTMENT**
  - \$194,000 Per Unit

# The Foundry – Market Analysis

- Project Market Area (PMA)
  - Mississippi to North
  - University Blvd. to East
  - Bellevue to South
  - Sheridan Blvd to West



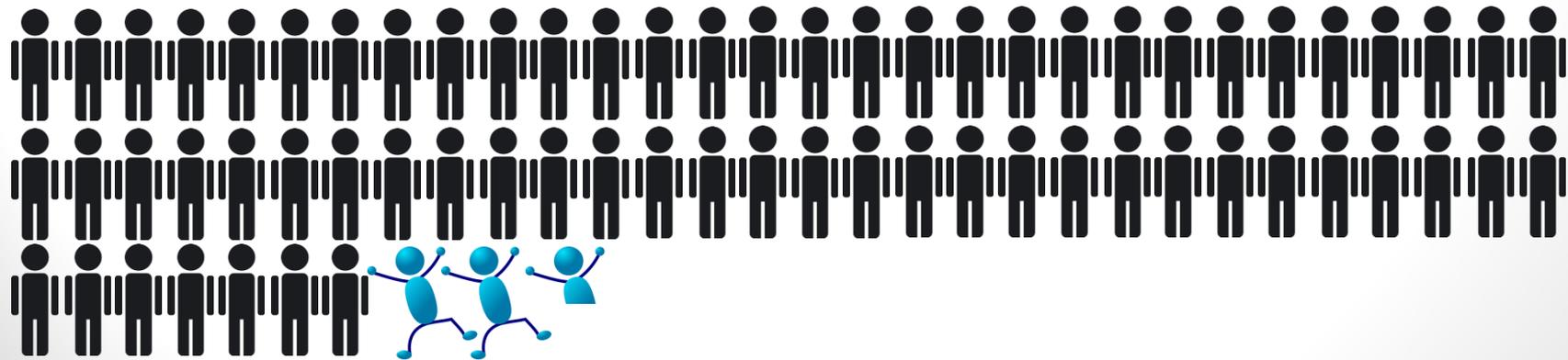
# The Foundry – Market Analysis

- 21,613 Renter Households in PMA
- 6,968 Households Earning  $\leq$  60% AMI
- 262 Existing Units
- 3.76% of Eligible Households Served
- 6,706 Households Not Served (92.24%)

 = 100 Income Eligible Households without Housing

 = 100 Income Eligible Households with Housing

## Income Eligible Households



# The Foundry – Market Analysis

- The inventory of affordable apartment complexes in the Denver metro area, and specifically Denver and Arapahoe Counties, is extensive. Despite this, the subject market area in the northwestern portion of the City of Englewood, along with extreme southwestern Denver County, does not have a large number of LIHTC properties
- Primary Market Area Compared:

	Foundry PMA	North Boulder	NE Denver
Total Renters	21,613	15,753	11,957
Affordable ( $\leq 60\%$ AMI)	6,968	5,728	3,541
Existing Supply	262	364	1,529
Capture Rate	3.76%	6.36%	43.18%
HHs Not Served (%)	<b>96.24%</b>	<b>93.64%</b>	<b>56.82%</b>

# Foundry – Design Influence



Kim Komenick / The Chronicle



# Foundry – Concept Site Plan



# Foundry – Concept Perspective



# The Foundry – Approvals

- Property Zoned
- Allowed Use
- Conformance with Comprehensive Plan
- Site Development Plan Review
- Awaiting Tax Credit Award



# How The Foundry Compares?

- 18 Competitive Applications Accepted by CHFA
- Approximately \$5.3 million to allocate (5-6 projects)
- The Foundry\*
  - Developer, Ownership & Team
  - Market Demand
  - Building, Site & Unit Amenities
  - Affordability
  - Proximity to Light Rail & Public Transit
  - Proximity to Schools & Amenities
  - Tax Credit Request Per Unit
    - Foundry 4<sup>th</sup> most competitive for New Construction
    - Foundry 1<sup>st</sup> most competitive for New Construction Family



\* Attributes in no particular priority or order



# DRAFT

August 21, 2014

Ms. Tasha Weaver  
Mr. Terry Barnard  
Colorado Housing Finance Agency  
1981 Blake Street  
Denver, Colorado 80202

**RE: Foundry I**

Dear Ms. Weaver and Mr. Barnard,

On behalf of the City of Englewood, please find our enclosed revised response regarding the Foundry I project in Englewood. Our previous letter indicated a first and second priority for the Foundry I and Broadway Lofts projects. We wish to withdraw the implied prioritization of the two projects, as both have equal support from the City of Englewood. Our preference would be to have both the Foundry I and Broadway Lofts projects receive tax credits to act as catalysts for redevelopment while serving the needs of our community.

To Replace Bullet No.3:

Redevelopment of the General Iron Works site is a priority for the City of Englewood. Foundry I meets multiple goals and objectives of the Comprehensive Plan and Light Rail Corridor Plan that encourages high density housing for a diversity of household incomes, with or without the FasTracks-approved Bates Station. City Council supports the Foundry I project and believes the development will have a profoundly positive impact on reinvestment in north Englewood

The parcel proposed for Foundry I is approximately 2.0 acres of the larger GIW foundry which was closed in 1985. The subject property was recently cleaned up under a VCUP and received a No Action Determination Approval in June. The property ownership received approval of the Sand Creek PUD in 2013 that allows for multi-family use. In addition, the ownership received approval of a PUD on the Winslow Crane site as part of a larger conceptualized master plan for the area.

SW Development Group and Bryant Winslow have been actively engaged with the City of Englewood Community Development Department and City Council in presenting the benefits of affordable housing, planning the proposed Foundry I project and the overall redevelopment of the GIW site.

Thank you for considering this revised letter in the evaluation of both Englewood projects that have been submitted to CHFA this round.

## BY AUTHORITY

ORDINANCE NO. 74  
SERIES OF 1997

COUNCIL BILL NO. 74  
INTRODUCED BY COUNCIL  
MEMBER VORMITTAG

AN ORDINANCE AMENDING TITLE 1, CHAPTER 5, SECTION 8, OF THE ENGLEWOOD MUNICIPAL CODE 1985 PERTAINING TO CITY COUNCIL SALARIES.

WHEREAS, Council Member salaries have not been amended since the passage of Ordinance No. 1, Series 1979; and

WHEREAS, City Council desires to amend Title 1-5-8 of the Englewood Municipal Code 1985; and

WHEREAS, Section 21 of the Englewood Home Rule Charter provides that salaries may be changed by Ordinance, but shall not be increased during the current term of the Council enacting such Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ENGLEWOOD, COLORADO, AS FOLLOWS:

Section 1. The City Council of the City of Englewood, Colorado hereby authorizes amending Title 1, Chapter 5, Section 8, of the Englewood Municipal Code 1985 to read as follows:

**1-5-8: SALARIES OF COUNCILMEN-COUNCIL MEMBERS:** The monthly salaries of the ~~Councilmen~~ COUNCIL MEMBERS are hereby fixed in the following amounts:

Mayor	<del>\$500.00</del>	\$700.00
Mayor Pro Tem	<del>\$450.00</del>	\$650.00
Councilmen-MEMBER	<del>\$400.00</del>	\$600.00

Section 2. This Ordinance shall not increase the salary of a Council Member during their current term in office.

Section 3. Severability. If any clause, sentence, paragraph, or part of this Ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect impair or invalidate the remainder of this Ordinance or its application to other persons or circumstances.

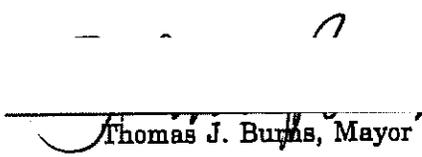
Section 4. Inconsistent Ordinances. All other Ordinances or portions thereof inconsistent or conflicting with this Ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

Introduced, read in full, and passed on first reading on the 4th day of August, 1997.

Published as a Bill for an Ordinance on the 7th day of August, 1997.

Read by title and passed on final reading on the 18th day of August, 1997.

Published by title as Ordinance No. 67, Series of 1997, on the 21st day of August, 1997.

  
Thomas J. Burns, Mayor

✓ Loucrishia A. Ellis, City Clerk

I, Loucrishia A. Ellis, City Clerk of the City of Englewood, Colorado, hereby certify that the above and foregoing is a true copy of the Ordinance passed on final reading and published by title as Ordinance No. 67, Series of 1997.

\_\_\_\_\_  
Loucrishia A. Ellis

**MEMORANDUM**



**TO:** Dan Brotzman, City Attorney

**FROM:** Nancy Fritz

**DATE:** July 28, 1997

**REGARDING:** Salary Survey Council & Boards.

Arvada - Mayor \$975.00 monthly  
Mayor Pro Tem \$800.00 monthly  
Council Member \$750.00 monthly

Boards & Commissions:  
Planning & Zoning \$75.00 per meeting  
Board of Adjustment & Appeals \$75.00 per meeting  
Liquor Board \$75.00 per meeting

Aurora - Full Time Mayor \$41,400 yearly  
Mayor Pro Tem \$10,977 yearly  
Council Member \$9,600 yearly

Boards & Commissions:  
Planning Commission \$75.00 monthly  
Civil Service Commission \$7.50 hourly for appeals.

Boulder - Mayor, Mayor Pro Tem and Council Members are all the same:  
\$100.00 per meeting up to 4 meetings per month.

Boards & Commissions: not available.

Broomfield - Mayor \$500.00 monthly  
Council \$300.00 monthly

Boards & Commissions: Not paid.

Commerce - Mayor \$600.00 monthly  
Council Member \$500.00 monthly

Boards & Commissions:  
Building and Planning \$50.00 regular meeting  
\$10.00 special meeting.

Denver - Full Time Mayor \$99,600.00 yearly  
President of Council \$48,164.00 yearly  
Council Member \$43,164.00 yearly

Boards & Commissions: not available.

Lakewood - Mayor \$12,000.00 yearly  
Council Member \$7,360 yearly (new)

Boards & Commissions:  
Planning Commission \$600.00 yearly

Littleton -	Current:	Proposed:
	Mayor \$600.00 monthly	\$1,800.00 monthly
	Mayor Pro Tem \$450.00 monthly	\$1,400.00 monthly
	Council \$400.00 monthly	\$1,000.00 monthly

Boards & Commissions: Not paid.

Northglenn - Mayor \$5,984.00 yearly  
Mayor Pro Tem \$4,842.00 yearly  
Council \$4,210.00 yearly

Boards & Commissions: not available.

Thornton - Mayor \$600.00 monthly  
Council Member \$400.00 monthly

Boards & Commissions:  
Chairman \$45.00 monthly  
Board Member \$35.00 monthly

Westminster-	Current:	Effective 1/1/98
	Mayor \$900 monthly	\$1,000.00 monthly
	Mayor Pro Tem \$800 monthly	\$ 900.00 monthly
	Council Member \$700.00 monthly	\$ 800.00 monthly

Boards & Commissions: are not paid.

Wheatridge - Council Member \$343.20 monthly

Boards & Commissions: are not paid.

**21: Salaries.**

The monthly salaries of the Councilmen are hereby initially fixed in the following amounts until changed by ordinance, but shall not be increased during the current term of Councilmen enacting such ordinance:

Mayor: \$75.00.

Member of Council: \$50.00.



CITY OF ENGLEWOOD  
HUMAN RESOURCES

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TO: MAYOR PENN AND CITY COUNCIL MEMBERS  
THROUGH: GARY SEARS, CITY MANAGER  
FROM: SUE EATON, DIRECTOR OF HUMAN RESOURCES *SE*  
DATE: JULY 23, 2014  
SUBJECT: COUNCIL REQUEST 14-134

Attached are two spreadsheets with City Council salary comparison information. The first lists the cities used as comparisons in salary surveys for the Englewood Employees Association (EEA) and Managerial, Supervisory and Confidential (MSC) positions. The second lists neighboring cities that are not our usual comparisons, but may be of interest to you.

Please note that the data source is the 2014 CML Compensation Survey, so if there is missing data it's due to the reporting methodology of the various cities.

Let me know if you need any further information.







# Memorandum

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Englewood Fire Department

To: Mayor and City Council

From: Andrew Marsh, Fire Chief

Through: Gary Sears, City Manager  
Mike Flaherty, Deputy City Manager

Date: August 19, 2014

Subject: Fire Services Study Session on September 8

At the study session and regular meeting last evening, City Council discussed the topic of maintaining a stand-alone fire department versus contracting or merging services with another organization. City Council requested a Study Session item on September 8 to have further discussion and to hear from the fire department regarding the future direction for the provision of fire and emergency medical services in the City of Englewood.

In preparation for the Study Session, staff would like to clarify and confirm what City Council needs and intends for the meeting. City Council stated its desire to hear from both management and labor representatives. For management, I will designate several members of the command staff to comment. For labor, I will talk with the Firefighters Association President about designating several representatives to speak.

Staff is also proposing to provide a summary of the information that has been considered during the past year regarding various fire service alternatives and an assessment of where the fire department stands currently, particularly with respect to funding and safety. Staff will also review two significant fire incidents this month that resulted in injuries to our firefighters and a mayday situation. We are investigating the circumstances of both incidents which included problems related to shortcomings in our fire communications and training.

If there are additional items or other specific information that City Council wants staff to address, please let us know.



# Memorandum

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Englewood Fire Department

To: Mayor and City Council

From: Andrew Marsh, Fire Chief

Through: Gary Sears, City Manager  
Mike Flaherty, Deputy City Manager

Date: August 19, 2014

Subject: RFP for Station Location, Standards of Cover and Risk Assessment Study

In preparation for the creation of a public safety facilities master plan in 2015, staff will be issuing this year a request for proposals (RFP) for a fire station location, standards of cover and risk assessment study. All or most of the funding for the study is expected to come from the savings derived from the award of an emergency medical services grant.

Standards of cover are policy statements that include service level objectives based on the hazards and risks in a particular community. The standards of cover and community risk analysis documents are key elements of fire department accreditation and address the distribution and concentration of fixed and mobile resources of the organization. Before a facilities master plan can be developed to renovate and/or replace our fire stations, we need to determine the ideal locations and number of stations based on the standards of cover and risk assessment specific to our City.

If City Council has questions or other thoughts about the scope of this study, please let staff know at this time before the RFP is issued. The ultimate goal of this year's station location study and next year's master plan is to identify our specific public safety capital facility needs and costs that our City will fund at some level for renovations and/or reconstruction. Together, the study and master plan will provide the necessary information as capital funding sources are sought.