



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM
MEETING DATE: September 4, 2012**

AGENDA TITLE: Consideration of a motion to accept the summary of the July 31, 2012, City Council Study Session to update council on implementation of the Transit Village Area Plan, check in on the plan's goals, and consider next steps for the city-owned site at 30th and Pearl streets.

PRESENTERS:

Jane S. Brautigam, City Manager
Paul J. Fetherston, Deputy City Manager
Karen Rahn, Director, Housing and Human Services
David Driskell, Executive Director of Community Planning and Sustainability
David Gehr, Deputy City Attorney
Susan Richstone, Deputy Director, Community Planning and Sustainability
Jeff Yegian, Acting Housing Division Manager
Randall Rutsch, Transportation Planner
Michelle Allen, Senior Housing Planner
Chris Meschuk, Planner II

EXECUTIVE SUMMARY

This agenda item presents a summary of the July 31, 2012, City Council Study Session regarding the Transit Village Area Plan implementation and the city-owned site at 30th and Pearl streets. The purpose of the study session was to update City Council and solicit feedback on implementation of the Transit Village Area Plan (TVAP); gauge interest in possible amendments to the TVAP; and check in on the goals and potential next steps for the city-owned site at 30th and Pearl streets.

Council feedback included:

- A continued desire to have more than 20% affordable housing in the area;
- A concern about the current residential development focus on one and two bedroom rental units;

- Concern about the level of ownership housing in the area and the current balance of residential and commercial uses;
- A desire to explore shifting the goals for the city owned site to focus on commercial uses;
- Interest in pursuing zoning changes to encourage commercial uses in new developments and allow commercial kitchens in the MU-4 zone; and,
- Interest in considering TVAP changes to reflect the uncertainty of commuter rail timing and the southward shift of public spaces being created by the Depot Square development.

STAFF RECOMMENDATION

Staff requests City Council consideration of this matter and action in the form of the following motion:

Motion to accept the July 31, 2012, study session summary regarding implementation of the Transit Village Area Plan, check in on area goals, and potential next steps for the city-owned site at 30th and Pearl streets.

NEXT STEPS

The Division of Housing will add an item to their work program to explore options for increasing the level of affordable housing in the area including possible property acquisitions. In addition, the Inclusionary Housing Rental Policy Update will be coming back to council in the 4th quarter 2012 or 1st quarter of 2013 and may include options for increasing the likelihood that affordable rental units would be provided on-site.

Community Planning and Sustainability will add two items to their work program: to consider potential changes to the TVAP in relation to the rail plaza area; and to pursue zoning changes to encourage commercial development and to allow commercial kitchens in the MU-4 zone. These items will be added to the 2013 work program.

City staff will also continue lease extension negotiations for the city-owned site, and will return to Council at an appropriate future date to discuss options for the site's development or sale.

ATTACHMENTS

Attachment A – July 31, 2012 Study Session Summary

**Study Session Summary
July 31, 2012
Affordable Housing Issues**

PRESENT

City Council: Suzy Ageton; Matt Applebaum, KC Becker, Macon Cowles, Suzanne Jones, George Karakehian, Lisa Morzel, Tim Plass, Ken Wilson

City Staff: City Manager, Jane Brautigam; Deputy City Manager, Paul Fetherston; Executive Director of Community Planning and Sustainability, David Driskell; Director of Housing and Human Services, Karen Rahn; Deputy Director, Community Planning and Sustainability, Susan Richstone; Acting Housing Division Manager, Jeff Yegian; Transportation Planner, Randall Rutsch; Senior Housing Planner, Michelle Allen; Planner II, Chris Meschuk

PURPOSE

The purpose of this study session was to update City Council on implementation of the Transit Village Area Plan (TVAP), solicit council feedback on implementation efforts and outcomes to date, and check in on the goals and recommended next steps for the city-owned site at 30th and Pearl streets.

PRESENTATION OVERVIEW

Staff opened the study session with a review of the original Transit Village Area Plan (TVAP), adopted in 2007, and important market and economic changes that have occurred since. The presentation included a brief history and short review of the adopted goals of the TVAP, and summarized current and proposed regulatory and public improvement implementation projects. This was followed by a summary of both approved development projects in the area and those under discussion. Staff identified key issues for the area including:

1. a lack of housing diversity for both type and tenure (homeownership or rental);
2. projections indicating current development trends may result in less affordable housing than anticipated;
3. projections indicating less commercial development than anticipated;
4. a request to include commercial kitchens as an allowed use in the MU-4 zone; and
5. the role of the rail plaza may need to be re-examined in response to recent changes in that area of Boulder Junction.

Staff reviewed the city goals for the city owned site, to create a transit oriented development combining a transit facility with affordable housing, that led to the purchase of the city owned site and the city investments in the site. Staff also presented a summary of the current negotiations on the Pollard lease including extending the lease with conditions until 2018.

Staff requested council direction on the following three questions:

1. Does council continue to support the vision and goals of the TVAP?

2. Does council have questions or feedback regarding analysis and key issues related to current status of the TVAP's implementation?
3. Does council have feedback on the staff recommendation for the city owned site to:
 - a. retain ownership in order to maintain the ability to implement the community's vision and goals for the area;
 - b. remain flexible on the development program for the site, including the mix of residential and non-residential uses and development timing and phasing to best achieve the goals for the site at the time of development; and,
 - c. work with Pollard Motor on an extension of the lease.

COUNCIL DISCUSSION SUMMARY

General Comment on the Boulder Junction Area

One council member expressed concern about achieving “charming chaos” and getting instead “cookie cutter” development and asked what safeguards are in place to prevent this. Another expressed that the area should manifest urban planning at its best and is concerned that the architecture in the approved developments were not achieving that high standard. Staff indicated that design guidelines and discretionary review are used to encourage architectural diversity.

One Council member requested that a presentation be developed for council concerning the economic shift in the housing market and what it means stating that real estate has gone from a 100-year asset to a 7-year asset. Another member added that perhaps this could include real estate experts to present ideas of where the housing market is going.

Housing Diversity

Some council members expressed concern over the predominance of rental, stacked flat housing being built or proposed and lack of ownership opportunities being created in the area.

Clarification was provided that the city cannot dictate or control tenure (ownership or rental.)

One council member indicated less concern pointing out that rental housing could be converted to homeownership over time. Staff indicated that zoning changes could be used to influence housing type but not tenure.

Affordable Housing

Council indicated that an amount of affordable housing greater than 20% in area was the desired outcome. Council wanted staff to look at purchasing or getting options on additional land in the area soon to develop affordable housing since the price will only go up over time.

Non-residential Development; Mix of Uses

Most council members expressed a preference for a mix of uses as envisioned in the area plan and concern that market development based on the current zoning may not provide adequate commercial uses to create a walkable, mixed-use neighborhood. Most council members supported loosening the zoning to create more flexibility and opportunity for commercial development.

Commercial Kitchens in the MU-4 Zone

Most council members supported a change to allow commercial kitchens in the MU-4 zone. Council also suggested that other zone changes be explored to encourage non-residential uses.

Re-examining TVAP Goals for the Rail Plaza

One council member does not want to “give up” on the rail plaza and want to see an area reserved for that use in the future. Another member prefers, based on the likelihood of the train not coming, to look at another use for the plaza.

City-Owned Site

Council was in agreement that the city-owned site should not be developed as currently planned, for mixed-use commercial and residential with a high level of affordable housing. Rather the site should be maximized for commercial use and tax generation. Staff pointed out that the Pollard lease would preclude development on the site until 2016 or until 2018 on the northern half of the site if the lease were extended with conditions. Several members indicated if the site were sold they would not want to see a large rental housing project on the site. Staff indicated that zoning could be used to direct development on the site. One council member thought re-zoning should be considered as part of the 2015, five-year update to the Comprehensive Plan.