



TOWN OF CARBONDALE

511 COLORADO AVENUE
CARBONDALE, CO 81623

Request for Proposal: Mixed-Use Affordable Housing Developer



Project: Carbondale Town Center

Issue Date: March 11, 2026

Question Deadline: April 7, 2026

Question Responses: April 15, 2026

RFQ Responses Due: May 15, 2026, 4 p.m. (MT)

Submit Questions and Response to: towncenter81623@gmail.com

Carbondale Town Center RFP Invitation

Desired Development Partner

The Town seeks a development partner to lead design, permitting, financing, and construction of the Town's Town Center property. The Partner will be responsible for creating a financially viable proposal for land use review by the Town. The Partner may also propose to operate and maintain rental units at the site.

Upon successful completion of entitlements or sooner, a Development Agreement between the Town and Partner will define rights and responsibilities for financing, construction and operations. The Town, as an employer, has housing needs that it hopes to address with some housing units at the site under terms to be negotiated. That will be the subject of negotiation as a development agreement is co-created.

The Town encourages developers with experience in developing affordable commercial, residential and/or mixed-use projects in mountain communities to submit a response.

Background

The Town of Carbondale, CO (Town) lies within the Roaring Fork Valley with Glenwood Springs at one end of the valley and Aspen at the other. The 2020 Census reports about 6,500 residents with more than 30% of that population reporting as Hispanic/Latino. For 2025, local affordable housing guidelines define a two-person household at 100% Area Median Income (AMI) as having \$113,100 income.

Like many desirable mountain communities, Carbondale has experienced significant increases in real estate sales prices and rents. Recent real estate transaction reports for free market units indicate median single-family homes selling for \$2,000,000 and townhomes for \$1,000,000. Local business owners and the Town itself report challenges in maintaining adequate staff.

The Town enjoys a reputation as a fun, artistic, and outdoor recreation centered community. The local creative industries and not-for-profit organizations are seen as an economic strength in the area. Carbondale is a State-designated Creative District, which may provide some funding opportunities. In addition to local employment, residents commute to jobs in Aspen and Glenwood Springs. Construction is also a significant employer in the region.



The Town has acquired 14 contiguous and undeveloped parcels in the core of its downtown



Carbondale Arts



that cumulatively cover 1.4 acres of land. The site was previously planned for free market development, however, only two buildings of the original proposal were constructed. The Thunder River Theatre owns its site and building in the center of the development area. The home-owners association for the development was recently dissolved; thus, the properties of the original subdivision are no longer tied together.

Public improvements including sidewalks, a promenade, and major utilities are already implemented at the site. The opportunity exists for a vibrant in-fill project in a prime location with many of the site development improvements already in place.

A mixed-use project with affordable housing and ground floor commercial and creatives space is envisioned for the site. The goal of this RFP is to identify a development partner or partners ("Partner") for the property. The Town reserves the right to select the Partner that it deems best and/or to reject all proposals. The

partner/s may be chosen to develop all or a portion of the site.

Development of the site is expected to target needs for commercial and affordable residential space that are not currently served by the free market. The target for rental units is between 80 and 140% AMI. Lower income unit proposals are welcome but not required and the need for housing at 80 to 120% AMI is urgent. Ownership opportunities may exceed 140% AMI. A limited number of free-market units may be incorporated, if necessary to make project sustainable.

Commercial uses envisioned for the site to date have included space for Carbondale Arts, expansion of the Thunder River Theatre, maker and business incubator space, and office space. The Town's vision for the commercial space is to bring uses that complement the existing downtown businesses rather than introduce new spaces that will compete directly with Main Street businesses.

After the Partner is selected, then the Town will enter into a pre-development agreement that identifies rights and responsibilities of each party while a project proposal is prepared. Prior to financing and construction, the Town would grant the partner a long-term lease on the property for a nominal annual fee.

While no design or program has been entitled, there has been significant design work completed to inform density and program. There has also been research performed to identify needs for workers in the creative economy and a needs assessment performed by Artspace is available, a regional housing needs assessment and detailed information about utilities, platting, and previous land use actions are available at:

https://www.carbondalegov.org/bid_detail_T50_R91.php

Zoning and Site Information

The Town Center parcels are aptly named, as they are in the core of downtown Carbondale. The property is zoned Historic Commercial Core (HCC). The Town's Unified Development Code states:

The purpose of the Historic Commercial Core district is to preserve the original commercial center of Carbondale as a unique commercial area with a historic character. The intent is to accommodate a variety of complimentary commercial, service, entertainment, and residential uses and to create a market atmosphere compatible with the downtown. The district is intended for primarily customer-oriented commercial uses on the street level, with office and residential on the upper stories. The HCC district is designed to accommodate intense development of individually owned businesses in an attractive, pedestrian-oriented setting, following the design character and patterns of the historic downtown area.

The Town recently completed an update of its Comprehensive Plan. The plan encourages flexibility for the ground floor commercial space requirement along 6th St. and the Carbondale Board of Trustees have previously supported an all-residential building along that frontage to focus the creative and commercial space energy to the promenade.

Typical structures in the area will have ground floor commercial space and one or two floors of residential use above. There is a 35' height limit with some exceptions for parts of a building set back from the public right of way. The Town would also consider reducing the required ceiling height of ground floor commercial along the promenade to meet height limits.

The first 25' from a public street or the promenade running north-south through the site are required to be commercial on the ground floor. The Town is open to an expanded definition of commercial uses; particularly creative industry uses to avoid competition with free market commercial development downtown. No off-street parking is required for commercial uses. The Town desires for "white box" commercial spaces to be delivered by the developer.

Parking is required for residential units. The Town is open to some flexibility on parking. For instance, tandem parking is not typically allowed in this zone district but could be considered. The property also enjoys 23 parking credits due to previous public improvements that increased on-street parking. There is a transit stop at the site, and the Town is bike friendly.

The Town emphasizes energy efficiency and reduced carbon impacts in new developments; the final project will be expected to address those issues. The Town Climate Action Plan is found at: https://carbondalegov.org/government/boards_&_commissions/environmental_board/index.php#docaccess-de6f0dc23997dd3d749c3db0192cfbf27a83e9541b5a344624b32e862a5d8b0e
Aspirational goals might include net zero carbon or all-electric development.

The Town's Unified Development Code may be found at:
https://carbondalegov.org/departments/planning/unified_development_code.php

The development plan will require a land use action in the form of Site Review for rental housing, which is a one-step review with public hearings with the Planning and Zoning Commission and Board of Trustees. If ownership units are proposed, a subdivision process will be required.

The Town has a digital folder of information previously prepared about the site and relevant documents at https://www.carbondalegov.org/bid_detail_T50_R91.php

Clarifying questions may be sent to the Town via email to: towncenter81623@gmail.com before April 7, 2026, at 1 pm. Questions and responses will be posted on the Town's website at: https://www.carbondalegov.org/bid_detail_T50_R91.php on April 15, 2026, by 5 pm.

Summary of Carbondale Town Center Vision

Housing- 45-60 units of rental, ownership or mixed with variety of unit types

Residential Target- 80-140% AMI, more need on lower end

Commercial Target- 10,000 to 20,000 s.f. of creative industries to the extent practical, live-work possible, traditional office commercial possible, possible expansion of Thunder River Theatre

Land Lease- The Town will offer a long-term ground lease for a nominal annual fee

Community Outreach- The Town and Artspace invested in a comprehensive outreach program that resulted in a schematic design for much of the site. Significant changes will be considered; however, the partner will be responsible for updating community outreach.

Grant Funding- The Town has limited grant funds available through the State's Space to Create program to assist with pre-development costs. In January 2026, the project was awarded \$2,000,000 in federal funds through the Congressionally Directed Spending (CDS) program.



Submittal Requirements

Submittals should provide clear information about affordable housing experience in a mountain resort region, expertise and breadth of development team, and capacity to implement in a timely basis. Drawings and site plans are welcome for consideration. The Town has provided drawings from our initial attempt to build the project with Low-Income Housing Tax Credits to inform local input on design expectations.

All submittals shall include:

- 1.) Cover Letter- An overview of the team's qualifications and the developer's interest in this project. Provide name/s and contact information for desired point/s of contact for the submitter.
- 2.) Development Team- Provide a graphic or list of the organization of team members who would be involved in this project along with their roles and responsibilities. Provide resumes for key team members.
- 3.) Experience- Provide three examples of mixed-use and rental restricted projects in locales (preferably western Colorado) facing similar challenges and projects of similar scope, including:
 - a. Description of project- location, number and type of units and amount of commercial space and whether the submitter was lead or a participant in the project
 - b. Description of any public outreach used during the design process
 - c. Sources of funding for pre-development and development budget and submitter's role in accessing those funds
 - d. Project timeline from pre-development to occupancy, including a proposals to expedite construction methods or other time saving approaches.

- e. Approach to energy efficiency and/or energy generation
- f. Description of project partners or other developers, if any, collaborating on development at the site.

4.) Implementation Strategy-

- a. Describe any critical time frames that would impact your ability to partner, ability to obtain funding or financing, or ability to develop the project. Identify obstacles to success based on those time thresholds.
- b. Provide an expected timeline from time of selection to first units into delivery and any subsequent phases. Realistic timelines that lead to initiating construction as soon as practical will be given higher consideration.

5.) Deliverable Project-

- a. Describe, in programmatic terms, the amount and type of commercial and/or residential project that you would be interested in partnering with the Town to deliver. For instance, commercial, live-work, maker space, and/or residential (identify rental or ownership), residential unit type and price mix.
- b. Describe phasing and sequencing of constructing at the site and any constructability issues that are anticipated based on that approach. If proposing for only a portion of the project, please define that project by Lot numbers.
- c. Describe how the project will address the vision and work to date related to development of Town Center and its relationship to the downtown core.
- d. Describe likely requests for relief from the underlying zone district to make the project successful.
- e. Describe commitments to energy efficiency and/or renewable energy.

6.) Project Financing-

- a. Provide a conceptual development budget and conceptual operating budget for any rental units.
- b. Provide a conceptual pro forma with a likely capital stack for the project based on your experience and what resources you would need from the Town or to access through the Town (ex. Private Activity Bonds, State or federal grants or tax credits).

7.) Disclosure- Provide information about any litigation or bankruptcy in the last 5 years or pending that could impact ability to fulfill project commitments. Provide a list of financial involvement of any projects approved or under construction in the Town of Carbondale.



Review and Selection

The Town will establish a Review Committee to review proposals and conduct interviews with selected submitters to determine whether any, one, or more of the selected Submitters will be invited to participate in additional negotiations that could result in a Pre-Application Agreement between the Town and Partner/s. The Town may choose to discontinue review of incomplete applications and in that case will notify the proposer of that finding.

The Review Committee will interview those with satisfactory responses. Following the interviews, the Committee will recommend to the Board of Trustees which potential partners to enter into joint planning and negotiations toward a pre-development agreement. The Review Committee will select partner/s based on its assessment of the following criteria:



- Relevant development experience (Section 3 of Submittal Requirements)

- Funding/Financing capabilities (Sections 4 and 7 of Submittal Requirements)

- Development team capabilities (Sections 1, 2, 5, 6 and 9 of Submittal Requirements)

- Alignment of development interest (Sections 1, 6 and 8 of Submittal Requirements)

The Town intends to achieve a pre-development agreement with partner/s during the summer of 2026.