

**Stapleton Development Corporation
Board of Directors Meeting
January 26, 2012**

Board Members Present: Nadine Caldwell, Chris Cramer, King Harris, Happy Haynes, Khadija Haynes, Councilman Chris Herndon, Michael Kearns, Stephen Miller, John Moye, Scott Prestige, Justin Ross

In Attendance: Cheryl Cohen-Vader, Bar Chadwick

Meeting called to order at 7:38 a.m. by King H. Harris.

I. Public Comment

Dan Oltersdorf, Stapleton neighborhood resident, offered a comment about the proposed car wash along Montview and CPB and the accompanying issues associated with that particular development.

Naomi Lopez, Aide to Councilwoman Robin Kniech At-Large, Denver, introduced herself and stated that she would be in attendance on behalf of the Councilwoman and will update her on the matters discussed.

II. CAB Report – Special Presentation – Stapleton 2011 CAB Report

The purpose of today's presentation is to review the revisions to the Summary of Recommended Actions and hopefully accept them as a part of SDC's Parks agenda.

David Netz gave the 2011 CAB Report which included a Power Point presentation (attached). The 2011 Key Messages from the Report centered on Rental and Workforce Housing, Parks and Open Space, Zoning and Planning and CAB-SDC Communications. Recommendations were offered for all key areas. Highlights from Mr. Netz's presentation related to the Rental and Workforce Housing included the following:

- Housing: Of the rentals built to-date FC has done exceeded the 20% goal of affordable rental units, but FC is pacing far behind the stated goal of 33% rental units with less than 16% of all units as rentals. This impacts diversity goals for income, age and housing types. FC is pacing at around half the goal for for-sale affordable housing, but this is partly due to market obstacles for someone to buy and to sell affordable housing. Stapleton is one of the "hottest" housing development projects in the U.S. in the last 25 or 30 years. Housing Diversity asked that no new housing be developed in north Stapleton until south Stapleton is completed.

Following Mr. Netz's presentation, the SDC Housing Committee (Justin Ross, Michael Kearns and Stephen Miller) offered its Housing Report/Response to the May 26, 2011 CAB/Housing Diversity Recommendations Report.

Mr. Kearns reviewed the Purchase Agreement and the Development Agreement and the 2011 CAB Reports/Recommendations and offered the following summary:

- 20% of Rental Units at Stapleton must be affordable (requirement)
- 10% of For Sale Housing at Stapleton must be affordable (requirement)
- 33.3% of all Housing developed must be rental (assumption)

- The requirements are to be met at completion, does not appear that the requirements must be met throughout the life of the development
- Forest City should “endeavor to develop or cause to be developed Affordable Housing Units at a pace consistent with the pace of development of market rate housing at Stapleton.

In conclusion, Mr. Kearns commented that the:

- For Sale Affordable Housing requirement is 10% and Forest City is currently at about 5.49%. Based on prior years’ statistics, it is clear that Forest City has never met the requirement in prior year, is not currently meeting the requirement and is not on pace to meet the requirement based on current development plans that they have shared.
- Rental Affordable Housing requirement is 20 % and Forest City is meeting that requirement.
- Information regarding # of bedrooms per unit was insufficient to determine whether that criteria was being met also.

The Committee proposed four options for the Board’s consideration:

1. Continue to keep heads in sand and do nothing
2. Request from Forest City a response along with a plan that shows real progress toward the requirements.
3. SDC to prepare and deliver communication to the City and County of Denver that it is the Board’s concern that Forest City is not on pace to meet the requirements of the Stapleton Affordable Housing Plan and request that the City invoke the dispute resolution process under Sec VI. E of the Development Agreement to come up with a plan of action to compel or facilitate Forest City to meet the requirement before project completion is reached.
4. Accept the CAB Housing Diversity and CAB request that SDC halt land sales to Forest City until the Committee/Board is satisfied that real progress is being made.

Mr. Ross thanked the CAB and the Housing Diversity Committee for the time and effort that they have put into this issue and the CAB Reports. Mr. Ross also challenged the Board to take a stand and do something to get in the front of this issue. This issue is a part of the Board’s legacy. In addition, the issue was presented to SDC over six months ago with no response. This Board cannot continue to put off taking some type of action.

John Moyer commented that the Board should agree to an action that incorporates options 2 and 3. Happy Haynes concurred and stated that she wanted to make sure the option taken allowed Forest City to respond to the report. She also commented that the Affordable Housing plan was developed in partnership with SDC, Forest City and CCD. Any resolution must include the same parties at the table.

A motion was made and properly seconded that SDC shall prepare and deliver communications from SDC to the City and County of Denver expressing our concern that Forest City is not on pace to meet its requirements under the Stapleton Affordable Housing Plan with regard to the development of affordable For-Sale housing. SDC shall further request that the City invoke the process under Section VI E. of the Development Agreement to come up with a plan of action which would compel/facilitate Forest City to meet the requirement before we reach project completion (SDC and the CAB are to be involved in this process per Section VI E.).

A discussion ensued following the motion. Several Board members commented that they would like a resolution to be a collaborative effort among the parties. John Lehig commented that Forest City would

welcome the opportunity to figure out the right solution. He also commented that it was very wrong for the CAB Committee to say that the project is not important to Forest City.

The current motion was amended and properly seconded to the following: SDC shall prepare and deliver communications from SDC to the City and County of Denver expressing our concern that Forest City is not on pace to meet its requirements under the Stapleton Affordable Housing Plan with regard to the development of affordable For-Sale housing. SDC shall further request that the City invoke the process under Section VI E. of the Development Agreement to come up with a plan of action which would compel/facilitate Forest City to meet the requirement before we reach project completion (SDC and the CAB are to be involved in this process per Section VI E.) and also that SDC shall initiate its process for monitoring Forest City's ongoing compliance with the Performance Standards under Section 5.19 of the Amended and Restated Purchase Agreement. The motion passed (one dissenting vote).

The Chair will work with Management to ensure the appropriate communications are sent out to the various parties and proposed meetings between the parties are set up as noted in the approved motion. The meeting with the Mayor should include the Committee as well as the District #11 Councilperson Chris Herndon, At-Large City Council Rep. Robin Kniech. Happy Haynes commented that she would be willing to attend this meeting and any other meetings to offer assistance and historical background.

Chairman Harris commented that the Board would deviate from its original meeting schedule and meet again in February to take up the remainder of the month's Agenda and continue this discussion and also discuss the other portions of the 2011 CAB Report.

III. Adjournment

Meeting adjourned at 9:07 a.m.

**The next SDC Board meeting will be held
Thursday, February 23, 2012 at 7:30 A.M.
in the SDC Offices located at
7350 E. 29th Avenue, Suite 300, Denver, CO 80238.**