

**MINUTES  
CITY OF FORT COLLINS  
AFFORDABLE HOUSING BOARD**

**Date:** Thursday, July 2, 2015  
**Location:** CIC Room, City Hall, 300 Laporte Ave.  
**Time:** 4:00–6:00pm

**For Reference**

Troy Jones, Chair  
Ray Martinez, Council Liaison  
Sue Beck-Ferkiss, Staff Liaison           970-221-6753

**Board Members Present**

Eloise Emery  
Jeffrey Johnson  
Terence Hoaglund  
Tatiana Martin  
Curt Lyons

**Board Members Absent**

Troy Jones, chair  
Diane Cohn

**Staff Present**

Sue Beck-Ferkiss, Social Sustainability Specialist  
Dianne Tjalkens, Administrative Clerk/Board Support  
John Phelan, Energy Services Manager

**Councilmembers Present**

Ray Martinez

**Guests**

Arthur McDermott, McDermott Properties LLC  
Roger Howell, McDermott Properties LLC  
Peter O'Neill, Energy Board Chair

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**Call to order:** Tatiana Martin called to order at 4:04pm.

**Agenda Review:** No changes.

**Public Comment:** Arthur McDermott is trying to build affordable housing for seniors (Oakwood) in Fort Collins and has support from CHFA, and FEMA (disaster relief funds), and Coloradoan had a story about how the senior population is burgeoning and has increasing need for affordable housing. Was included in stakeholder meetings on affordable housing. Using local vendors: Terence will be doing landscape architecture, construction by Brinkman. Asking for modifications from Planning and Zoning, based on location and economic feasibility. In a business park, only remaining parcel undeveloped. 25% secondary use established in 1980, and this project tips over the 25%. Planning determined need for affordable housing was more important than maintaining 25% secondary use. Other modification is for height—adding a 4<sup>th</sup> story, for total of 126 units—necessary for financial feasibility. Other modification is for parking (seniors have less need for parking spaces). McDermott is developer that operates own properties including management and compliance. Market studies show demand. Unexpected opposition at neighborhood meeting—MacKenzie seniors opposed due to

NIMBY, they have parking problems and significantly higher rents, wanted to know why not putting project further south. South does not have the services and amenities seniors need, and south is also in a higher cost water district.

- Ray Martinez: Think MacKenzie Place management organized the protest?
  - Eloise: Key objection is monetary difference?
  - Terence: They also think will be lack of parking, and concerned about number of modifications requested.
- Arthur: Would like support for this project. Have 16 affordable projects in Colorado.
  - Eloise: Have local PR firm?
  - Arthur: Meeting with someone after this meeting. Yes.
  - Tatiana: What does our support look like?
    - Arthur: Investing \$22M in Fort Collins. Need advocacy.
    - Tatiana: Gone to P&Z for feedback?
      - Arthur: First steps/conceptual. Have made adjustments based on their input.
- Eloise: 25% is allowable. How much over would this project put it?
  - Terrence: 25% is for Harmony Corridor as a whole. Oakridge Business Park is relatively old. MacKenzie got own modification for going over 25%. Incremental.
  - Arthur: Full site is only a little over 2 acres. P&Z wants to make sure not taking away employment land. This site has never been built on. This project contributes jobs and toward tax base.
  - Tatiana: Board will discuss more in open board discussion.
  - Jeffrey: Who is City planner?
    - Arthur: Ryan Mounce and Cameron Gloss

**Council Comment:** Ray Martinez is visiting to learn about the board and asked what he can bring before Council; offered to answer questions. Members introduced themselves to Ray.

- Curt: Will be speaking to Council about Accessory Dwelling Units. Many other cities using ADUs to address housing stock needs. Advocating for solutions.

### Review and Approval of Minutes

Curt moved to approve the June minutes as presented. Terence seconded.  
Motion passed, 4-0-1. Eloise abstained.

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### AGENDA ITEM 1: Energy Plan

John Phelan and Peter O'Neill presented the Energy Policy revisions for 2015. The Energy Board evolved out of the Electric Board in order to look at all energy uses in the community including natural gas and transportation fuels. Earlier this year, Council adopted the new Climate Action Plan (CAP) framework and goals, and is now working on strategies and tactics. CAP's main goals are around buildings, transportation, energy supply, road to zero waste and carbon sequestration. The Energy Policy translates GHG goals to VMT and energy use reductions. Goals of the Energy Policy focus on Efficient Built Environment, Energy Supply and Distribution, and Transportation and Land Use. Looking at diversifying fuel supply, while maintaining reliability. Implementation principles are around privacy and security, community economics, partnerships, and information and education. 2020 proposed policy to ramp up building efficiency targets, set overall and local renewable targets, set electric supply diversification objectives, and maintain reliability objectives. 2020 focuses on maintaining affordability and equity while reducing overall fossil fuels. Will be developing metrics

and new rate structures. Have visited a number of boards and commissions, work session in September, have had some public input.

### Comments/Q&A

- Jeff: Affordability is rate structure or construction policy?
  - John: Energy use related to income. Tracking metrics. Challenge is to determine what the number should be. Not much information on appropriate % of income to pay for utilities. Not yet about construction costs in affordability.
- Eloise: What is demand/response?
  - John: As bring more renewables online, meeting demand and maintaining reliability. Load management.
- Jeff: How do you measure affordability, % or AMI or income? What component ought to be utility? That calculation would impact all citizens. Board also talks about cost of construction and code creep. Green code, international building code, impact fees, all have impact on costs and supply/demand. When throw more on already regulated environment, increase cost more. Cost of construction needs to be critical piece of implementing long term goals. Developing multifamily could become unfeasible to build. Even road base can impact per door cost.
  - Pete: How to pay up front for savings realized over long period of time. Expenses go to builder, whereas savings go to renter. Looking for solutions.
  - Curt: Sometimes with engineers, think if more is good, even more must be better. Engineers don't always understand cost of efficiency. Ex: 20% more efficient window might cost 3x as much.
  - John: Locally and nationally, prescriptive benefits have reached the limits. Large potential in energy performance: making sure installed correctly, working correctly, getting most out of the product.
- Tatiana: What incentives are proposed for having low income development or homeowner put in efficiencies?
  - John: Policy itself would not get into incentives, but do have range of rebates. Challenge is have to have money to spend in order to get a rebate. Understand not reaching lower income demographic of the community effectively.
  - Curt: Ex: If want more insulation can't get a rebate unless hire someone to do the work. Can't DIY and get rebate.
  - John: Have good relationship with affordable housing providers. Have helped in making upgrades. Getting better at tailoring programs. Have good financing tool for owner-occupied units. For rental housing, working on a similar approach so savings from utility bill could directly offset cost of efficiencies. Doesn't directly reduce cost to customer. Also developing proposed low income electric rate, which can have significant impact.
- Eloise: Actively seeking funding to help people reduce energy use and carbon footprint?
  - John: Bulk of funding comes from rate-payer base. Have periodically been able to access grants and other funding sources. Platte River is a major partner in programs, including funding.
- Eloise: What is meant by "equity" in maintaining affordability?
  - John: Equity between rate classes. There is cost to serving each rate class, and looking at revenue from each rate class, to make rates appropriate to cost of service.
- Eloise: Reducing dependence on coal and possibility of strong argument from coal industry against it. Will you build into implementation a method of overcoming objections to reducing use of coal and difficulty in turning toward other energy supply sources?

- John: Platte River is already starting to address from risk mitigation perspective. Platte River's owned resources are 98% coal; have recognized need to diversify. Have integrated resource planning and looking at many sources.
  - Pete: Craig and Haiden, signs in both towns for keeping coal. Worry about jobs and people's livelihoods. However, plants have life span. Stranded assets.
- John: To answer DIY question, the standards around safety preclude City from giving rebate to DIY (combustion safety testing)—potentially serious risk. Water heaters poorly functioning or drafting to start, can caulk and change pressure balance enough to have water heater spill carbon dioxide into the home. Have not found way around that. One of first utilities to do combustion safety testing.
  - Curt: Can do before and after audits? Rebate contingent upon results.
  - Sue: Could also have certain parameters to improve safety.
  - John: Another idea was to offer trainings that come with discount on materials at certain retailers.
  - Tatiana: Renewablue, James with The Group.
    - John: Already working with him extensively. Good resource.
- Jeff: AHB uses term "housing affordability," not just focused on subsidized housing but also first time buyers and move-up housing, up to 120% AMI. Cost of construction, supply and demand. Encourage to think beyond subsidized. All interrelated.
  - John: Can advocate at state level a valuation of energy improvements. Can't currently value improvements as would something like a bathroom upgrade.
  - Sue: Green mortgages are bundling costs.
  - John: Industry is moving in that direction.
  - Jeff: Get commercial appraisers educated on how to increase the appraisal value of multifamily based on efficiencies. Cost segregation takes cost of building and breaks it into components, so can gain significant tax benefit.
    - John: Some tax incentives are based on accelerated depreciations.
- Tatiana: What are you looking for?
  - John: The kinds of input you have given so we can make sure covering all necessary areas. Board can give a recommendation later.
- Curt: Fee structure for greenfield versus infill is basically the same. Important for the City to reconsider fees in order to incentivize infill.
  - John: Metrics will be built into next iteration of City Plan
  - Jeff: Board has been looking at impact fees that would be appropriate to reduce for infill, related to transportation, and GHG reduction.
    - Pete: Energy Board would be supportive. Energy Board is looking at land use and transportation and how linked to GHG.
    - Jeff: Can justify reducing impact fees for green infill.
    - Pete: Less pollution, greener, less impact to have more compact infill.
    - John: If something has an energy impact, the Energy Board can offer support.

ACTION ITEM: John will send information on low income utility rate pilot to Sue, who will forward to the board.

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## **AGENDA ITEM 2: Discussion of Impact Fee Rebalancing, and ADUs**

Curt said he will focus on ADUs in Council meeting public comment, and Troy will discuss impact fee rebalancing. He provided a draft of his comments, in which he explains what ADUs are, how tiny homes are a different issue, solutions regarding zoning, NIMBYism, existing regulations, etc.

## Comments/Q&A

- Eloise: Can give example of Troy's neighborhood where ADUs are planned into the community.
  - Sue: Easier on the front end, but we are dealing more with existing development.
  - Eloise: Landlocked. We expect population growth. ADUs are an appealing solution.
- Sue: This is available in our community, but not in enough areas. If we agree that a good solution, how do we make it more practical?
- Jeff: Greenfield versus infill. There will still be more greenfield development in next 20-30 years. Split opportunity in new areas from Old Town issues. If people choose to buy in an area that includes ADUs, then can't complain.
  - Curt: It is not even on people's radar to consider when purchasing.
- Jeff: Opportunity is really in new development, low hanging fruit, less threatening environment for piloting. Make them commonplace 20 years from now in greenfield.
- Eloise: There are people who want green buffer and will protest against any new development. Platform of sustainability and ADUs for sustainability. City Council should support need for affordable housing.
  - Curt: If they change land use code and fees, will make significant difference.
  - Sue: Say that application of ADUs is appropriate to greenfield and infill. Important everywhere.
  - Curt: Resistance is due to history of people building apartments in alleys that were larger than the primary residences.
    - Sue: Design standards can deal with that. Can be regulated.

ACTION ITEM: Curt will send his draft public comment to the board for edits.

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## AGENDA ITEM 3: 2015-2019 Affordable Housing Strategic Plan

Consideration of final adoption moved from August to October. Have two public outreach meetings late July: Harmony Library and Community Room. Work Session went well. Council is interested in determining what will make biggest impact. Want fewer strategies and policy that will encourage development of affordable housing. Big emphasis on Land Bank program. Still waiting on final report from EPS. Report updates HAPS data, and will use in strategic plan. Don't have recommendations for disposition of Land Bank yet. Guessing Vine is not ready due to floodplain. Horsetooth ready to look at activating: City water and built out area (easy to develop location). Kechter properties will have NIMBY. Initial analysis puts too much emphasis on NIMBY; need to strategize around that. Adding more metrics to the draft before releasing to the public. Ratio of affordable housing has increased over course of previous plans, so trying to come up with a realistic way to move the dial over the next five years. Determining target percentage. Council wants to select limited items to work on in five years: action versus monitoring. Green Built Environment has been implemented in code. Recognize the impact of code creep on affordable housing. Grants from EPA and other places that can provide revenue.

## Comments/Q&A

- Jeff: Was discussion about retooling ordinance before considering what to do with the land?
  - Sue: Consultants are saying market conditions are good for Horsetooth property and current ordinance would work there. Asking them to look at mixed use/mixed income for larger parcels.
    - Jeff: diversification decreases NIMBY too.
    - Terence: If allowable use, then NIMBY doesn't come into play. Land Use code doesn't delineate between residential and affordable residential.

- Sue: Zoning, maps, and information have been given.
- Jeff: Highest and best use of the land might not be possible under ordinance as drafted. Have we asked consultants to consider revising ordinance?
  - Sue: Asked them to analyze market conditions and look at potential for ordinance change. Will share report. Land Bank Work Session in August. Low hanging fruit for AHSP as could bring units as quickly as any other strategy. Good time to look at ordinance. Parks is also interested in Land Bank property for a maintenance facility, but also opportunities for big new parcel if had funding to buy it. Many new developments will happen in the next year. Will help public see that the City is working on this problem.
- Jeff: How many budget cycles until end of plan?
  - Sue: Two.
    - Jeff: Front load funding to get things accomplished.
    - Sue: Can't ask for something denied in BFO cycle in interim cycles. Have been able to fund HAPS and asking for funding for homelessness issue this interim.
  - Jeff: Set up Council for big ask in next BFO cycle.
  - Sue: Starting to have conversations about water districts. FCLWD did offer a discount for multifamily. Understand it is an issue. Would like to level playing field. Short term strategies.
  - Terence: Funds in addition to CDBG, etc.?
    - Sue: Did get BOB2 allocation for affordable housing fund. More discussion around true incentives that can get to projects that really need them.
- Jeff: What about fee waiver ordinance restrictions? Has Council talked about backfill issue?
  - Sue: City has had conservative approach to backfill. Opinion letter said that is not only way to do it.
  - Jeff: Revision to Land Bank ordinance, fee waiver ordinance, could address liberal backfill policy.
  - Sue: Have had political pushback around waiver issue. Must be mindful when bring it up again. Better way to incentive development.
    - Jeff: Put controversial item in now, when Council is pushing for action/outcomes.
    - Sue: Development community is supportive of waivers. Either need to reform waiver policy or replace with something equally attractive to developers. Will do focus groups with developers to try to find additional options.

#### **AGENDA ITEM 4: Other Business**

##### **Council Comments Planning**

- Troy and Curt attending next week.
- Work Session July 14 to review AHB; Tatiana will be representative.
- Eloise will attend August 18.

##### **Review of City Council 6 Month Agenda Planning Calendar**

- September 1: Seasonal Overflow Shelter (Planning and Zoning issue)
- September 8: Land Bank

##### **Open Board Discussion**

- Point in Time Count for homeless people. Article in paper about loosening restrictions on car camping. Interested in following this issue.
  - Sue: One of interim budget offers from SSD is to pilot a scattered site supervised car camping program. Talking with partner that would supervise. No ordinance changes scheduled.
    - Jeff: Would be challenged to be supportive of this issue. Would rather see our community build more Redtail Ponds style facilities and develop and share best practices.
    - Eloise: People would not understand rules, transient, and would increase car camping.
    - Sue: Struggling to come up with short term solutions. With overflow shelter, using existing resources rather than building more shelters.
    - Jeff: wrong way to go. Don't let short term wag the dog. Let's build another shelter, rather than open Pandora's box.
    - Sue: just an idea at this time.
  - Curt: Do we exacerbate the problem by making it more attractive to transient people? If Fort Collins has a higher wage than surrounding communities, could exacerbate in-commuting; if offer more human services, do we attract more homeless people?
    - Sue: Car camping is desperate at best. Those kinds of services are not a beacon. Don't want to become a beacon.
    - Jeff: Also about education. When you do things that are lightning rods that impact few, get bad PR and annihilate the good you are trying to do.
- Tatiana: Arthur McDermott?
  - Terence: Were going to submit modifications, but feel lost Planning's support. Change of use opens to political process. If decide to move forward with project, need Planning on board.
  - Tatiana: Request for Terence to give regular updates.
  - Sue: All objections have been site specific, and all support has been generally about the need for this kind of development. If lose this site, may not look for another one.

ACTION ITEM: Terence will give regular updates on Arthur McDermott project.

### **Liaison Reports**

- None.

### **Future Meeting Agendas**

- August: No agenda items planned
- September: Downtown Plan
- October: Low Income Utility Rates

**Meeting Adjourned:** 6:11pm

**Next Meeting:** August 6