

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

Date: Thursday, August 6, 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

Troy Jones, chair
Eloise Emery
Jeffrey Johnson
Diane Cohn
Terence Hoaglund
Tatiana Martin
Curt Lyons

Board Members Absent

Staff Present

Sue Beck-Ferkiss, Social Sustainability Specialist
Dianne Tjalkens, Administrative Clerk/Board Support
Caroline Mitchell, Environmental Planner

Guests

Julie Brewen, Fort Collins Housing Authority
Chadrick Martinez, Fort Collins Housing Authority

Call to order: Troy Jones called to order at 4:02pm.

Agenda Review: no changes.

Public Comment: none.

Review and Approval of Minutes

<p>Eloise moved to approve the July minutes as amended. Tatiana seconded. Motion passed, 3-2-0. Troy and Diane abstained. Curt and Jeff arrived after vote.</p>

AGENDA ITEM 1: Community Recycling Ordinance

Reasons recycling is important for more than environment: economic development potential, large employment industry, produces more jobs than landfilling, energy savings from recycling, etc. Ex: takes 95% less energy to recycle aluminum than to create new. Significant GHG benefits to recycling as well. Recycling system from single family residential: 1. Put recycling at curb, 2. Pay hauler, 3. To Larimer county recycling center, 4. Materials recovery facility in Denver (contaminates to landfill),

5. End markets (international) where made into new products. Recyclables are at a low value in market right now and have a more challenging contract at the recycling center. Can address shifts in market and system with this regularly scheduled update. Have a 6-10% contamination rate, which is reasonable. Pay-as-you-Throw ordinance was adopted in 1995; has become best practice. This update includes potential for expansion. Road to Zero Waste includes goal of 75% diversion by 2020, 95% by 2025, and 0 waste by 2030. City also has landfill bans on electronic waste and cardboard. Existing programs include education to all, free waste audits and rebates for businesses and multifamily residential, Pay-as-you-Throw for single family residential, etc. Caroline showed graph of diversion rates: landfilled materials have remained consistent despite increase in population. Recycling and composting has increased steadily; much of recent uptick is from construction dirt (mall, Woodward, flood rebuilding). Pay-as-you-Throw ordinance requires trash and recycling rates are bundled for single family residential, so no additional charge for recycling. Also requires trash pricing based on volume of trash can subscription. Multifamily residential and businesses are combined into commercial trash system. In Fort Collins, commercial prices are based on size of dumpster and recycling is a separate fee. 95% of single family homes recycle, 67% of multifamily, and 48% of businesses. Disparate impact of ease of recycling for those living in multifamily. Currently industrial has highest diversion rate. This project does not focus on industrial recycling. Community Recycling Ordinance looks at adapting program to current needs, expanding Pay-as-you-Throw to commercial customers, and including yard waste collection options. Project includes case studies (available on website at fcgov.com/recycling/update.php) and will include spectrum of options/recommendations, public outreach (public meetings, stakeholder meetings, and community advisory group), and Council work session October 13. Two public meetings next week. Online survey, email newsletter, and FAQs available online.

Comments/Q&A

- Sue: Why is this important to affordable housing?
 - Caroline: Adding additional service impacts trash bills. How much service, of what type, and how much is it worth paying for?
 - Sue: Will any options bundle like current ordinance for multifamily.
 - Caroline: One main option is to expand Pay-as-you-Throw to commercial and multifamily, bundling a certain amount of recycling with trash service automatically and having additional recycling available at lower cost than trash. In tandem could add user responsibility for recycling: not allowing recyclables to be put in the trash. Communities tend to adopt together. Also discussing what to do with bulky goods. Multifamily has issues with dumping of bulky goods (ex: furniture, appliances, mattresses). Considering automatic inclusion of bulky goods collection in single family residential.
- Troy: Haulers used to get paid and now paying for recycling?
 - Caroline: Yes. Customers have subscribed to service. Hauler used to get paid for recyclables. Majority of cost is overhead: trucks, employees, gas, etc. Fees at recycling facility are smaller portion of cost but do impact business. Want to create ordinance that is flexible with market.
- Troy: Most of affordable housing in Fort Collins is multifamily. Any political will at Council level to subsidize recycling?
 - Tatiana: Or incentives?
 - Caroline: If expanded Pay-as-you-Throw to commercial and multifamily, the goal is to incentivize recycling. Project is not to point where can understand impact to bills yet. Have fixed amount of waste, whether going out in trash or recycling. People forget that can downsize trash bin when add recycling, which can make it cost neutral or even cost beneficial.

- Tatiana: Current HOA doesn't offer recycling as it is not cost beneficial.
 - Eloise: Went to board of her HOA and talked them into adding recycling.
- Eloise: WRAP program?
 - Caroline: Offers rebates for starting recycling program. Goal is to shave off cost speed bump of starting service. Businesses need to purchase recycling bins for inside or create an enclosure, so a rebate is available for them too.
- Diane: Want affordable housing developers to not have to add costs to projects. Want to make absolutely sure that have options, but additional protections for cost for affordable housing units and developers. For ongoing cost of service.
 - Troy: If translates to higher rent want to prevent that.
 - Diane: Don't want to add fees to low income people.
- Terence: Need more education on illegal dumping in dumpsters.
 - Caroline: Have been working with consultants on this issue. Have not found a perfect solution, but aware of the problem.
- Troy: Good goal to have all residents recycle. Someone has to pay for it. Recommend Council finding money to subsidize affordable housing recycling to offset impact that could change rent.
 - Sue: Or create different rate for qualified affordable housing.
 - Troy: Would be nice if community as whole has value to not over burden those who cannot afford, but still give opportunity.
 - Caroline: Have had calls about cardboard ordinance where property manager is not providing cardboard recycling (not required), but then residents have to self-haul.

AGENDA ITEM 2: Fort Collins Housing Authority Update

Julie gave an overview of Fort Collins Housing Authority, including mission and core values. Housing authorities are formed by a state enabling legislation—quasi-judicial; has a board of commissioners. Largest property management company in northern Colorado. Majority of clients are 0-30% AMI. FCHA operates public housing, vouchers, rental assistance, development and property management. In Fort Collins have 154 federally subsidized rentals that are scattered and difficult to maintain. Working on disposition to leverage into new units. Voucher program: includes mainstream, family unification program, and veteran housing. Waiting list is still closed. For vouchers, lease is between family and landlord, and contract between FCHA and landlord for income gap subsidy. Can use vouchers for homeownership. Family pays portion of mortgage and FCHA pays difference. Only about five per year. Have managed Northern Hotel for 15 years. Hoping new owner can add amenities to attract people who have income. Building is not conducive to people who are frail. FCHA will support transition. Plan is to remain age restricted. Villages was established in 1982 for development and acquisition. Redtail Ponds permanent supportive housing won two awards for architectural design. Committed to good neighbor practices.

Chadrick discussed active and future developments. Current include Redtail Ponds and multiple Villages sites. Redtail Ponds has 60 units. Using controlled leasing process to allow getting to know residents: 8 units per month. Have 52 units occupied. Remaining units are called for, finishing paperwork. Anticipate full occupancy this month. City provided almost \$1.4M in CDBG and HOME funds before waivers. Leveraged \$11.5M. City is often first money in, which becomes catalyst to receive state and other funds. CDBG regulations make it hard to fit this money into projects. Village on Plum was an acquisition/rehab. Reset under a tax credit development. Included laundry room and workout facility at clubhouse, connected open spaces with sidewalks, added dog park and exercise equipment, etc. to bring together community. Had early funding from City. Julie added that this property struggled from time acquired. Should have gone into a full 4% deal from the beginning. 4% deals work best with moderate rehab, not new construction. Having celebration for completion.

Village on Matuka is a 20 unit rehab. Partnership with PS-S. Elaborate landscape plan, interior and exterior rehab. Julie added project based vouchers are assigned to that property, so has enough cash flow to reserve for replacement. The reserve was enough to be paired with City funds for upgrades. Village on Redwood is in P&Z process. 72 units, selecting an investor. 4% tax credit deal. Awarded credits from CHFA, sell \$9M credits to investors. They take \$9M off tax base for 10 years. Also take depreciable losses. After tax credits, apply grants, then the remainder must be mortgaged. Low rents generated from units pay the mortgage. Have state tax credits, CDBG disaster recovery funds, and City funds from competitive process. Design will be award winning. Pond on site, working with natural areas. Village on Cunningham Corner. Have been capturing PABs and grants. Mid-2016 start for rehab. Selected design team. Will go to CHFA for 4% in September. 284 units plus 1 for resident manager. Development is sizeable, but will have moderate rehab that ties property together. Will get siding, roofs, etc. Will be completely affordable. Makes property easier from compliance and management standpoints. Actively working toward new permanent supportive housing; looking for partnership agreements and reviewing sites.

Comments/Q&A

- Tatiana: How many units in wellington?
 - Julie: 42 units. Has own board of commissioners.
 - Tatiana: Where?
 - Julie: Senior community and a number of duplexes.
- Curt: Will dispo units end up getting scraped and have large expensive homes built?
 - Julie: Not likely due to location. Can discuss more at another meeting.
- Tatiana: How many on waiting list?
 - Julie: Has been closed for 4 years, so number is misleading. Project based list is open as voucher is attached to a unit.
 - Tatiana: What is difference between waiting list for Loveland versus Fort Collins?
 - Julie: Unsure.
- Troy: Voucher program subsidizes market rate rental units?
 - Julie: No. HUD regulations. Will know soon if new regulations have caught up with market. May have to do own survey to show HUD real current market.
- Diane: Biggest challenge of using CDBG funds?
 - Chadrick: Project must have public benefit. Good fit for rehab. New construction is difficult. As work through competitive process, need more HOME for new construction and CDBG for rehab.
- Jeff: What is good about project based vouchers?
 - Julie: Guaranteed income.
 - Sue: Any vouchers would work.
- Jeff: 4% are non-competitive?
 - Julie: yes.
- Troy: Those displaced by flood can move into Redwood?
 - Julie: Not that strict. Prioritized new units that were in the pipeline.
 - Sue: Redwood has some larger units with 3 and 4 bedrooms.
 - Julie: Families from dispo's units will live here.
 - Date: What is date to use disaster funds?
 - Chadrick: July 1 2016.
 - Julie: Had neighborhood input. Has come together well.
 - Chadrick: Presented changes to public. Transparent process.
 - Sue: Boulder bought market rate units and rehabbed for affordable housing. Not first. Fort Collins has done this.
- Jeff: If fee waiver process was brought above 30% AMI would that be helpful?

- Chadrick: Would take pressure off soft money for new construction.
- Jeff: If HOME is getting cut by 93%, is that an opportunity to talk to Council about expanding fee waivers?
 - Chadrick: Yes.
 - Julie: The proposed cut may be more of a statement than an action.
- Jeff: Still need a way to get the waiver back.
 - Julie: Doesn't matter if fee waiver or capital fund from tax, it is a gap. Some councilmembers don't want to do waivers. Okay, but then need cash assistance. Will look for right time to have fee waiver discussion.
 - Sue: In AHSP, and looking at other options. Could go up to 80% AMI. Currently only for FCHA or special populations.
- Julie: Vulnerable vets who have income but cannot maintain housing. Need flexibility for income limits.
 - Chadrick: In best market with favorable interest rates. When those change it will affect projects. Can support debt now, but cannot predict interest rate changes. Difficult with funds have now. With cuts will be even more difficult.
- Sue: Leadership wants to make sure AHB is being updated by FCHA and working together.

ACTION ITEM: Sue and Troy will schedule follow up meetings with FCHA.

AGENDA ITEM 3: Impact Fee Rebalancing Discussion

Sue received request from Gerry Horak to have an update on impact fee rebalancing. HAPS identified this as an issue. Only area making progress related to fees is in the water department: talking to Utility and districts to come up with unified rate for affordable housing.

Comments/Q&A

- Tatiana: Went to Gerry's listening session Saturday where she brought up that topic.
 - Sue: May change name to Smart Impact Fees.
- Jeff: How do you define affordable for water issues?
 - Sue: City defines as 80% AMI and below. SFCLWD has come up with affordable multifamily discount and is looking at finding equity in pricing.
- Troy: Deeper issue is that water for districts costs more to them than Fort Collins Utilities.
 - Sue: Right now City has more water than we can store. Might be in a position to provide water, but eventually will need it for ourselves. Needs more investigation.
 - Jeff: Can we lease water for 30 years and wrap a bond around it?
 - Troy: Good topic for deeper conversation.
 - Sue: For AHSP Sue and Clay have asked for meeting with Utilities and districts.
 - Troy: Water development fees are on Council agenda. Utilities has identified this as an issue on their own and are taking this to Council.
 - Jeff: Have Les Kaplan come to board to discuss water.
 - Terence: Developable greenfield is in districts.
 - Tatiana: Put Les Kaplan on schedule—developer and good mind frame for housing affordability. Focuses on many of same issues. We bring in nonprofits. Why not bring in for-profit?

ACTION ITEM: Sue will get water topic on schedule. Utility, districts, and/or Les Kaplan.

AGENDA ITEM 4: 2015-2019 Affordable Housing Strategic Plan

Draft for public review will be available online tomorrow. Sue will send the draft to stakeholders, boards and commissions, etc. Subcommittee meeting Monday. Working on strategies and action plans, but want them at high enough level to add ideas as they arise. PowerPoint in packet is what was presented to public in outreach meetings. Some good ideas have come out of public outreach. September AHB meeting will take testimony from public on the draft.

AGENDA ITEM 4: Other Business

Council Comments Planning

- Eloise scheduled for August 18. Topics: AHSP draft, water issues, etc.
 - Sue will draft talking points on water for Eloise.

Open Board Discussion

- Tatiana: Air B&B, vacation rental by owner, etc. Should our board discuss?
 - Sue: Clay and Ginny Sawyer are coming in October to discuss this topic.
 - Troy: Gentrification of housing units that would otherwise be open for rent. Estes Park has this issue. High market to rent by the week, so nothing available to rent year round.
 - Jeff: Flip side is this is how some people stay in their houses.
 - Tatiana: 72 units in Fort Collins.
 - Sue: Staff sees impact on affordable housing and will discuss at meeting.

Liaison Reports

- Diane: Did we receive letter from senior advisory board in packet? They have housing issues they want to bring to this board.
 - Sue: Nothing yet.

Review of City Council 6 Month Agenda Planning Calendar

- Sue: Three projects—AHSP, land bank, and overflow shelter. P&Z will have hearing next Thursday for overflow shelter. May also be another meeting next Thursday. Proposal for sit-lie ordinance that would limit time people could spend on benches. Leadership is determining if it will be pushed through. If yes, then meeting next Thursday at Northside Aztlán Community Center. Sue will email board with details as they arise.
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Meeting Adjourned: 6:16pm

Next Meeting: September 3