

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

Date: Thursday, September 3, 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
Cameron Gloss, Planning Manager
Clay Frickey, Associate Planner

Guests

Marilyn Heller, League of Women Voters
Kristen Fritz, Fort Collins Housing Authority
Jake Joseph, board member Fort Collins Housing Authority
Joe Rowan, Funding Partners
Kelly Evans, Neighbor to Neighbor

Call to order: Troy Jones called to order at 4:06pm.

Agenda Review: Adding Fort Collins Housing Authority update on Redwood under new business.

Public Comment: none.

Review and Approval of Minutes

Tatiana moved to approve the August minutes as presented. Eloise seconded.
Motion passed unanimously, 7-0-0.

AGENDA ITEM 1: Downtown Plan—Cameron Gloss

This plan addresses what happens to downtown over the next 20 years. How do we continue success and overcome challenges? Differences from prior plan include shifted boundaries, more detail, and character districts. Boundary is expanded in some areas and contracted in others: added commercial properties north of Vine Drive, at Laurel and College, and breweries north of Lincoln, subtracted residential areas west of downtown and residential area near library. Other plans govern these parcels. Almost through visioning phase. Will then move into specific options. One year from now will adopt final plan. Public engagement has been extensive, including workshops, polls, street outreach, online surveys, etc. Plan and process structured around 6 topical areas: Arts and Culture, Market and Economy, Downtown Management, Transportation and Parking, Energy and Environment, and Urban Design. First phase document is available online and includes weaknesses, threats, opportunities, etc. Emerging priorities include connecting to and protecting river, creating an easier place for artists to do business, continuing beautification and cleanliness, addressing needs of homeless population, mitigating negative behaviors, helping businesses survive and thrive, having affordable housing opportunities, determining how to manage parking, tying into Max and other multimodal, creating gateways into town, and promoting integration of variety of designs. Have done visual preference surveys for shared spaces and housing styles. New plan recognizes that all of downtown is not the same, so implementing character districts. Public portion of design charrette next Tuesday. Created a photo realistic 3-D model to show potential buildings, streetscapes, and public improvements. Also holding a community event September 24. What does success look like in 10-20 years for affordable housing? What innovative projects can be tested in downtown? Other questions?

Comments/Q&A

- Tatiana: CSU has projects in downtown area. What kind of partnership does staff foresee or what can make a partnership successful?
 - Cameron: Two working groups have CSU staff on them. Getting idea of CSU build out, student housing, and how these interact with downtown. Will continue to work with CSU staff.
- Tatiana: What have you heard from Transportation Board?
 - Cameron: Parking crosses over many areas. If not sufficient parking businesses have issue, but also need to address CAP goals. How do you introduce more biking in downtown with continued safety? How do you tie better into Max and make easier east-west connections? Have been talking to parking board monthly
- Jeff: How much land does CSURF (Colorado State University Research Foundation) own? How are they governed?
 - Cameron: CSURF owns a parcel and they are outside of campus. Have purchased the slab. Have to go through City's process. Subject to City's regulations. Have sold properties to CSU, which then become mostly exempt and go through abbreviated process.
- Troy: Have you seen many conceptual reviews for micro units in downtown?
 - Cameron: Not yet. May catch on here.
 - Troy: We have been talking about reduced fees for smaller units. Micro units might be a way to incorporate affordability along with fee recalibration/rebalancing, based on impact.
- Jeff: Law enforcement issue, homelessness, panhandling, college drunkenness. Part law enforcement, part environment. How does downtown plan address these sensitive issues?
 - Cameron: Have specialists in these areas. City Manager's Office is looking at different ways to regulate behaviors. Have not landed on right strategy yet, but looking at options.

- Jeff: Many stakeholders in these issues. Does the plan intend to look at these issues deeply?
 - Cameron: Yes, but this might be a topic area where we come up with a more detailed plan later. The plan is detailed, has ownership, and has funding, so it will not just sit on the shelf. Intend to achieve projects and be successful. Aim high, but practical. May see code standards that change, guidelines creation, capital projects funded, etc.
 - Eloise: Other cities that have done a good job with managing homeless issues during redevelopment of downtown. San Diego is one of them.
 - Cameron: Social Sustainability office has been looking at best practices. Open to ideas from board members.
- Sue: Will live-work units require code changes?
 - Cameron: Maybe. Sometimes building code, not just land use. Standards for commercial and residential are different. Hoping to learn from communities that have embraced live-work.
- Tatiana: What does Planning want from AHB moving forward?
 - Cameron: Regular check-in. Have heard a lot from public. Now looking at how to address concerns and opportunities. Will bring choices before board to see if getting it right. Very tangible.
- Troy: Glad Planning is coming to board. Transportation is big piece of puzzle, and because everything is in walking distance in downtown, important to make sure affordable housing is included.
 - Jeff: Success looks like more height and density. Land locked community with scarcity of land needs to get over height and density and have it in downtown.
 - Troy: One of highest rated buildings in visual survey was tallest building.
 - Cameron: Also looking at various configurations, such as setbacks that allow light and air. Variety of design. Modeling will help.
 - Diane: Northern Hotel (senior low income housing), would be opportunity to collaborate to make space more functional for seniors and tie more into community. Not much outdoor space. Or, convert to something that fits downtown needs and move residents to a place better suited to their physical needs with access to shopping, etc.
 - Cameron: Location relative to central services. People want to live downtown, but lacks basic/essential services like small grocery. Also need to think about public open spaces, plazas, green spaces. Use alleys more? Connect spaces? Make connections to the river?
 - Curt: used to be real businesses in downtown, but now too many restaurants. Have a local grocer that wants to expand, but competing with a brewpub.
 - Cameron: Number one issue is how to support small local businesses that don't have power to compete with bars and restaurants.

ACTION ITEM: Cameron will return at the December meeting.

AGENDA ITEM 2: Fort Collins Housing Authority Villages on Redwood—Julie Brewen

State came to FCHA to build new units using disaster relief funds. Decided to move this project forward. 72 units of affordable housing, located in north Fort Collins, between Conifer and Willox. Every piece of financing put together. Going to Planning and Zoning next week. Project has flowed

well. Had neighborhood input last year and made significant changes to concept plans based on that information. Got pricing, submitted funding applications, then went back to community in June to present schematic design. After more input made further revisions. Construction to begin January of next year. Have schools, parks, grocery, retail, dedicated bike lanes, and transit access in close proximity. Also close to downtown. FCHA is owner, developer and property manager. OZ is architect. Have RFP out for builder and should be published next week. Fully affordable (Target 30-60% AMI) with ½ townhomes and ½ stacked flats. The project is participating in City's design assistance program to achieve aggressive energy goals. They will provide a year of energy data to get the full incentive. Units are 1 to 4 bedrooms, expected to serve mostly families. Will have playground, community clubhouse with fitness room, large community greenspace, detached sidewalks, etc. Existing pond on the site is being donated to Natural Areas, which will take over maintenance and create a new natural area for the community. Clubhouse will have some office space. Site is zoned LMN, but design is subject to Planning and Zoning board as it is over 50 units. Elected to use a large boundary area for public outreach to be more inclusive. 800 feet creates arbitrary boundaries. This neighborhood had more natural boundary areas that took out to 3000 feet. Villages is nonprofit arm that does property management, screening and application process. Applicants must meet minimum income limits as well.

Comments/Q&A

- Tatiana: What issues running into with water/water rights?
 - Kristen: Tap fees for this project are about \$2 million. Within City water district. Additional fees due to location.
- Diane: Protection for kids around the pond?
 - Kristen: Yes. Fence.
- Jeff: Townhomes are rentals?
 - Kristen: Yes. 100% rental.
- Troy: Expect any opposition from neighbors at P&Z?
 - Kristen: Some opposition at public meetings about affordable housing in general, but have also received a lot of positive feedback on design. Have requested 3 modifications: 1. Parking reduction (16%), 2. One building exceeds maximum floor area, 3. Relationship of dwellings to street and parking.
- Troy: FCHA provided letter that board can choose to support or not.
 - Tatiana: Would it be beneficial for a board member to attend the P&Z meeting?
 - Kristen: Always helpful.
 - Sue: Can discuss in other business.

<p>Tatiana moved that the AHB use the letter of support as drafted to support project at P&Z. Terence seconded. Motion passed unanimously, 7-0-0.</p>

AGENDA ITEM 3: Affordable Housing Strategic Plan Update

Largest changes include overarching goals. 2020 goal of 6% of units using affordable housing programs. By 2040 want to increase that to 10%. Currently have 3000 units using some type of public assistance to maintain affordability. By 2020 need 940 more affordable units, or 188 per year. By 2040 need 228 new affordable units per year. Strategies are carried over from former plan with addition of refining development incentives and expanding funding sources and partnerships. Notable action plan items include activating some of the Land Bank parcels. Could get up to 598 units if activated all parcels under current ordinance. Currently looking at activating two parcels.

Want to buy additional parcels with proceeds of sale of activated lots. Leveraging affordable housing capital fund money for affordable housing developments (from BOB2). Could get about 100 units with these funds at 10:1 leveraging.

Public Comment

Joe Rowan, Funding Partners: Need to consider how you develop affordable housing units without public subsidy. Don't have enough public subsidies to create the amount of units we have in the past. Those resources are going away. What ways does the City have a direct impact on all housing, not just targeted incomes? Need to create entry level, mid-level, and move-up inventory. Huge gap between affordable housing and market rate. Issues include hard boundary of city growth, underlying cost of all development, and prescriptive design standards. All want pretty development, but all can't afford to live there. Need housing affordable to everybody. Might not be what we prefer to have, but can afford to provide. This board has a voice to influence the planning process. Very low income will always require subsidy. Private sector can provide housing if can develop property that people can afford. Landscaping, design, and uncertainty of development review process all contribute to higher cost. When a developer takes plans to the City, the City is allowed to redesign the project at staff level, at P&Z, and at Council, which all add cost. Costs the City puts on development is 9%. Not all driven by market. What truly is driving cost of housing in this community? The cycle we are in will not last. Need to make sure we don't make it so difficult to develop that we cannot weather cycles in the housing market. When talk about affordability, it's irresponsible to talk about homeownership at 60% AMI. At \$30K/year cannot afford to own a home. May qualify for a mortgage based on percentage, but property taxes increase annually, and many expenses of ownership. Unless you have disposable income, you are a victim when heater goes out, or have other large repair costs. Habitat provides inclusive hands-on service around every one of their families at 50% AMI. 80% AMI is otherwise probably the minimum for homeownership. Call it "homeownership-in-training."

Comments/Q&A

- Sue: Going to Council October 6 for consideration of final adoption. Copy of draft is available online. Few comments, but comments from developers mostly focused on water. Goals are lofty, but action items are very practical. Want to maintain units and add more. FCHA is in process of realigning some units. Equity will be used to leverage more units. Pointing funding and policy toward more units.
- Eloise: Sale of Land Bank property, will policy be to sell land and structures?
 - Clay: Will sell property.
 - Sue: Says "dispose of" so could put into trust, but it's not likely we have economy of scale to create a trust. To deploy the Land Bank, would engage a partner. The structure is not clear yet. Could be sold, leased, or sold to a trust.
- Clay: Other goal of plan is to look at overall affordability, rebalance fees, to look at spectrum of housing. Target of plan is low income folks who will always need subsidy. Plan will address issues brought up in public comment.
 - Sue: In plan ownership goes up to 80%; Land Bank current ordinance is 60%.
 - Troy: Need to focus on affordable housing through 100% AMI. Was trying to push that into this plan, but realized this plan is for how to spend public subsidy. HAPS focuses on spectrum of housing affordability. Continuing discussion.
 - Sue: Housing affordability is for the spectrum, but affordable housing is limited to 80% AMI.
- Jeff: What is historical number of units added annually? Average over 10 years.
 - Clay: Over 100 if averaged. Talking five year increments. Have had some large projects in some years, and fewer in others.

- Sue: Draft numbers say 313 new units in last 5 years, but preserved another 284.
- Jeff: All for ambitious goal, but that is a big stretch. Are we setting lofty goals to develop policy around it?
 - Clay: Paint the picture to leadership that if want to add these units, need to make some changes in order to reach goals.
 - Jeff: Difficult under current system. Ought to be able to back up the numbers.
 - Sue: 688 units in last five years.
- Diane: If stay at same percentage, losing ground because of population growth.
 - Jeff: Must project total increase.
 - Sue: Expect market development at high pace over next five years.
- Jeff: Will have to make up a lot of ground to get to 2040 goal.
 - Troy: Must be stringent about leveraging funding in projects. And/or get more funding.
 - Diane: Or find ways to bring costs down.
 - Sue: And partnerships can get units quicker. CSU has hired a new position for affordable housing, which is looking at incentivizing housing for employees. May not be only employer who would consider such programs. Broaden partnerships to stimulate right kinds of housing.
 - Clay: 1999 had 3% affordable units, now have 5%. Have developed tools and if pursue implementation items may be reasonable goals.
 - Jeff: Land Bank will help with 5 year goal.
 - Sue: Can recalibrate in five years.
- Jeff: This is 80% AMI and under. What percentage of our community is in this sector?
 - Joe: 40%
 - Clay: Market will help supply housing as well. Helping.
 - Sue: Not talking about de-facto affordable. Market used to meet affordability at 60% AMI. Now crosses at 80%. May shift again. Up to 80% is subsidy population. As you go lower, more subsidy is required. We're not saying want to use heavy handed regulation, but remember they are available. Set push goals and measure against them.
- Jeff: To get to 188 units in plan is there a balanced perspective on how to get there? Employee housing, public-private partnerships, etc. Is that outlined?
 - Sue: Not by numbers, but by concept. Last plan prioritized goals. In this one they are equal, so better projects should get funded.

AGENDA ITEM 4: Land Bank Program Update

Land Bank disposition report is in and was provided to members in meeting packet. Recommend deploying Horsetooth, Tilden, and the smaller Kechter unit. Can look at opening up restrictions on parcels over 10 acres. Land Bank has clear restrictions on who can serve and specific time frames. Designed to keep for subsidized population. The City may work with partners to see if the ordinance works on smaller parcels. Larger parcels may be appropriate to consider changing restrictions for mixed income and/or mixed use. Would like to ask partners what would work best. Other communities have distributed parcels among several developers to get a mixed-plan community. Vine has floodplain issues. South College is not ready either (expansive soils, etc.). Also possible

recommendation to sell Tilden, as it is in an affluent neighborhood and expect some pushback from neighboring property owners. However, land is more valuable than cash at this point, which is an opportunity area for affordable housing. Should hold onto it for intended purpose, but would like permission to further consider mixed-income/mixed-use. Regarding possible land use code changes, density bonus in LMN is currently limited to 10 acres. The fewer modifications needed, the more predictable the planning process becomes. Council Work Session this Tuesday, but may be moved to the next week. Sue will keep board apprised of date. Hoping for permission to start structuring request for proposals. FCHA did mock up drawings and is willing to host mini-charrette on Horsetooth property.

Comments/Q&A

- Jeff: Does City have affordable housing trust fund?
 - Sue: Not a trust. Affordable Housing Fund. Sometimes referred to that way, but not a trust.
 - Jeff: Is the bucket leaky?
 - Sue: Land Bank revenue will be isolated and used for future purchases.
- Troy: Knowing water costs are double in the areas where properties are, should add to list of requirements for new properties that they are in City water district.
 - Sue: Trying to get agreement that City would provide water for all Land Bank properties. Districts are willing to discuss. Would bring additional subsidy to the development. Could be a way to bring in 60% AMI homeownership.
 - Tatiana: Are water districts willing to discuss with private developers too?
 - Sue: Unsure. Optimistic about bringing water to Land Banks. Also discussing affordable water rate for all affordable housing. Water prices change. Developing north east quadrant it is an issue for workforce development.
- Troy: If sell property, does City have ideas of where to buy?
 - Sue: Have some ideas of places to reinvest. Consultant report suggests more urban, centralized properties. That would lead to holding onto the properties for a shorter amount of time. Right now properties are for holding 10 years or more. If purchased in transit overlay district, would not hold for five to ten years.
 - Troy: Buy auto dealership land and lease back to them for 25 years.
- Jeff: When will there be more discussion on water?
 - Sue: South Fort Collins Loveland Water District conversation has begun with Carol Webb. Sue will join conversations soon.
 - Jeff: Can't decide whether to keep or sell without decision on water.
- Sue: Offer smaller parcels now. Can be successful with NIMBY because have been very transparent and have given notice on affordability of these parcels.
 - Jeff: Look at it as education opportunity.
 - Sue: Must also be firm and clear about plans.
 - Diane: Also has been a Council priority. Community has said it is a priority. Will get neighborhood pushback, but community and Council are behind moving forward on affordable housing.
 - Jeff: Show people benefits and how fits into community.
 - Sue: Work with us as we plan community outreach.
 - Eloise: Nurses, teachers, etc. cannot find homes. Getting priced out.
 - Sue: In our community affordable housing looks like all other housing.

Not discussed.

AGENDA ITEM 6: Other Business

Council Comments Planning

- Eloise: Gave comments on water at Council meeting. Positively received.
- Tatiana: September 15, AHSP and Land Bank. Will discuss talking points with Sue in advance.

Open Board Discussion

- Jeff: Resolution came out of Council retreat on landlord licensing revenue. Revenue for affordable housing from rental licensing.
 - Sue: Tom Leeson is project manager for project and will roll out in 2016. Sue has discussed difference between fee and tax. On same page with Tom. Cannot get affordable housing funds from a fee, becomes a tax and requires voter approval.
 - Tatiana: How does that tie into Air B&B? That is an occupational tax.
 - Jeff: licensing landlords to generate money for enforcement issues is not alright. Should not try to get funds for affordable housing from a strategy (You+2) that our consultant says is counter-productive to affordability.
 - Sue: Hearing board would like more information.
 - Sue: Some Council members are open to a discussion of relaxing You+2.
 - Jeff: Polarizing issue. Do not connect affordable housing with such an ordinance.
 - Diane: There are average 2.3 people per dwelling in our community.
 - Jeff: Hearing changing demographics as well. Redefining housing affordability; making it a community issue.

Liaison Reports

- Diane: Attended August Senior Advisory Board. Provided them with link to AHSP and highlighted areas for seniors.

Review of City Council 6 Month Agenda Planning Calendar/Future Agenda Items

- October: Short term rentals
 - November: No speakers scheduled
 - Tatiana: Request discussion of water development fees.
 - Jeff: Can the board help with moving discussion of water fee reduction in districts forward?
 - Sue: Will consider asking for report in November.
 - Unscheduled: Rental licensing. Sue will talk to Tom.
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Meeting Adjourned: 6:18pm

Next Meeting: October 1