

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

Date: Thursday, March 24, 2016
Location: CIC Room, City Hall, 300 Laporte Ave.
Time: 4:00–6:00pm

For Reference

Jeff Johnson, Chair
Ray Martinez, Council Liaison
Sue Beck-Ferkiss, Staff Liaison 970-221-6753

Board Members Present

Jeffrey Johnson, Chair
Eloise Emery
Diane Cohn
Terence Hoaglund
Jennifer Bray

Board Members Absent

Curt Lyons
Kristin Fritz

Staff Present

Sue Beck-Ferkiss, Social Sustainability Specialist
Dianne Tjalkens, Administrative Clerk/Board Support
Beth Rosen, Affordable Housing Administrator

Guests

None

Call to order: Diane Cohn called to order at 4:04pm.

AGENDA ITEM 1: Priority Ranking of Affordable Housing Projects

Curt and Kristin have recused themselves from the ranking process.
Members gave initial rankings.

Initial Rankings & Justifications

- Eloise: Would like to know how FCHA determined per unit cost later in meeting.
- Jeff: Nice mix of projects, diversity, home ownership opportunities, repairs/maintenance, rental improvements, and supportive housing. He approached the task by trying to fund all projects—can fund all projects and partially fund supportive housing. Habitat provides move-up inventory. Northern Hotel is a project with many needs and developer has strong history. LHIP maintains home ownership, addresses safety and quality issues as well. N2N has needed repairs—high impact for four units. Don't like grants to cover deferred maintenance, but low cost per unit. Should request capital needs assessment from this organization for the future. FCHA permanent supportive housing is high need, but don't control site, not ready to move forward, and gap funding need is uncertain. Opportunity to fund a variety of housing needs that target other community needs.
- Diane: Initial rankings identical to Jeff's.
- Eloise: LHIP preserves currently existing units. Harmony Cottages is ownership and has a good product and program. FCHA will be similar to Redtail and houses the homeless who are

in need. Hesitant due to \$350K per unit cost. Hesitant to fund N2N Aztec. Having a positive change of management, but currently City is paying for past mistakes. CDBG requested needs assessment a year ago and it is not complete yet. Want to see assessment, but also do not want to punish residents for management's decisions. Northern Hotel could be a fantastic project in the future. Concerned about developer's experience with rehab.

- Terence: Habitat/Harmony is homeownership. Northern Hotel—important for seniors to preserve existing housing. FCHA—concerned that not much information yet and property not disclosed; however, don't want to wait another year for funding and FCHA has strong track record. LHIP is rated fourth and N2N last.
- Jen: Harmony Cottages first. FCHA—concerned about amount, but like infill aspect and proven history. Followed by Northern Hotel, LHIP, and N2N Aztec.

Discussion

- Sue: While hard to not think about money, not the job of AHB.
- Diane: Issues in how the funds can be distributed based on sources.
 - Sue: Commission does not have to spend all of the funding; there are not timeliness issues.
 - Jen: How long does funding get deferred?
 - Sue: Can have second cycle this year if there is funding and projects come forward.
 - Beth: New process would start in June. This process goes to Council in May, so likelihood of second cycle is low unless completely new projects come onboard. Dollars withheld could be used in the next annual cycle.
- Diane: Habitat Cottages on Harmony land acquisition is the only one that has CHDO designation. Those funds cannot be used for any other project in this cycle.
 - Beth: Didn't allocate set-aside last year. HOME rule changed recently so must spend the set aside (15% of HOME) within two years of allocation. If don't allocate CHDO funds, 2015 funds will go away September of 2017.
 - Sue: If have qualifying project this round can put 2015 and 2016 funds toward it.
 - Diane: This organization can use these funds and none of the others can.
- Diane: Northern Hotel as number two because in desperate need of senior housing and there is risk of losing this project. Reservations because it is not appropriate senior housing place, but they are already there. Like to see for-profit partners in the mix as well.
 - Beth: When previous owner sold, had to keep for low income because of tax credits.
 - Diane: That property is not ideal for seniors. No outdoor spaces. How awful to have no air conditioning, especially if have disabilities. No parking. Other means of transportation hard to get to if have mobility issues. No close grocery shopping. Glad it is there because better than nothing. Wish that FCHA would work on senior housing.
 - Sue: They were a partner in Legacy.
 - Diane: LIHTC receives higher priority on permanent supportive housing. But just completed one—may not be highest priorities in community right now.
 - Beth: Were partnering with Cornerstone on Legacy II. Cornerstone did not come back for funding. Project has stalled because tax credits hard to get.
 - Sue: More senior housing is coming online. Legacy property will eventually come back to FCHA. Arthur McDermott looking good to bring 110 units online using disaster relief funds. Affinity is 160 market rate units. Hope to get 16 affordable units in that development.
 - Diane: Two year waiting list for Legacy.

- Eloise: An applicant's wait time can vary and may or may not align with the posted wait list time due to various factors, such as availability.
 - Beth: Also heard that until current tax credit projects are absorbed, not sure how CHFA would look at new tax credit projects.
 - Eloise: Question the age of the structure. If they get funding will get 20 year extended affordability restriction. How much more will they need to keep the building in repair? There is constant maintenance on such a building.
 - Jen: Same concern for Aztec.
 - Terence: Building was rehabbed 15 years ago.
 - Beth: In 1999 complete rehab was done. Interior had been destroyed by fire.
 - Sue: Age may not be as big of a factor as what the units will continue to need.
 - Jen: Historic landmark so not going anywhere.
 - Sue: Might be better suited for another population, but still have age/income restrictions that are already in place.
 - Beth: Funding restricts income, but not population (age). If went for 4% could have broad low-income designation.
- Eloise: How did FCHA come up with \$350K?
 - Sue: All expenses divided by units—including operating, admin, etc. Estimated high.
 - Jen: Felt as though they are asking high because early in project.
 - Sue: Biggest and only new development on the list. Presentation was high-level. Affordable housing capital fund has not been allocated, but ask from FCHA is down to \$2.5M. That much will be slated for permanent supportive housing.
- Diane: N2N is maturing as property management entity, but wonder why all rehab needs are not addressed in the application. Need toilets, appliances, etc.
 - Sue: Sound like they have another source for toilets.
 - Diane: Interior needs should have been included.
 - Sue: Four units. The other projects have more volume.
- Jen: When Redtail Ponds was proposed how many units were originally proposed? Julie suggested could get more units in the newly proposed project.
 - Sue: Think it was always 60 units.
 - Beth: Started Redtail with a different location and conceptual site plan.
 - Sue: This site is existing and hemmed in.
- Sue: LHIP is trying to serve mobile homes better. Would like to have more flexibility.
 - Beth: If could spend up to \$15K on a mobile home to make completely livable that would make a big difference. Also want to be able to remove uninhabitable units.
- Diane: Suggest making sure N2N gets full funding to cover four units.
 - Sue: Representative to CDBG gets to discuss the projects and how they meet the goals. We do not get to discuss funding.
 - Beth: Commission gets a spreadsheet of projects and applicable funding sources.
- Diane: Would others be willing to consider changing N2N ranking.
 - Eloise, Terence and Jen were willing to change ranking.
 - Diane: Do not want to suggest that permanent supportive housing is not a great project. Has clear beneficial impacts.
 - Jen: Project feels very preliminary.
 - Eloise: Felt that way with Redtail, but it was completed and a great project.
 - Diane: All good projects.

Terence moved and Jen seconded a motion to submit the Affordable Housing Proposal rankings as follows:

1. Habitat, 2. Northern Hotel, 3. LHIP, 4. N2N, 5. FCHA.

Motion passed unanimously, 4-0-0. Jeff left before vote.

AGENDA ITEM 5: Other Business

Next Steps

- Sue will complete chart.
- Dianne will provide draft minutes to Sue and Jeff.
- Jeff will plan to present rankings to CDBG Commission. Diane will serve as backup to Jeff.
- CDBG Commission will complete deliberations to determine funding.
- Council makes final decision.
- When project meets requirements for funding Beth completes contract. Time limited.

Meeting Adjourned: 5:07pm

Next Meeting: April 7