

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

Date: Thursday, May 5, 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
Diane Cohn
Terence Hoaglund
Curt Lyons
Kristin Fritz

Board Members Absent

Eloise Emery
Jennifer Bray

Staff Present

Sue Beck-Ferkiss, Social Sustainability Specialist
Dianne Tjalkens, Administrative Clerk/Board Support

Guests

Marilyn Heller, League of Women Voters
Kristin Candella, Habitat for Humanity
Mike Sollenberger, DMA Plaza
Chris Johnson, Bike Fort Collins

Call to order: Jeffrey Johnson called to order at 4:03pm.

Agenda Review: No changes.

Public Comment:

Mike Sollenberger: President of board of directors of DMA Plaza. Was a HUD project built in 1973 as affordable retirement housing. Final payment on mortgage made two years ago. Engaging in major rehab—would like to use 9% tax credits. Get to sell tax credits for up to 90% of acquisition and rehabilitation costs. Tax credits can be used to reduce purchaser's tax obligation. Recently buyers have been banks. Property has asbestos—have management plan approved through the state. Have certified maintenance manager. Mission is serving very low and low income residents in perpetuity. Scope: mitigate asbestos, make ADA compliant (to degree possible), new kitchens, new baths, high efficiency windows, high efficiency appliances, upgraded fire suppression system, new electrical, new elevators (must be done now), expanded laundry, community room, etc. Must remove entire exterior and gut units. Have hired architect. Will likely apply for CDBG this fall. Denise Elders will match City funds dollar to dollar up to \$1M. Need \$2M to fill gap to continue to have no debt. Will accept Section 8 vouchers. Application for tax credits will be submitted June 10; determinations in September. Very competitive. Construction would begin mid-2017. Must have elevators completed before rehab can begin. Ideally would move all tenants during construction, but there is no other place to go. Will do two floors at a time. Have been allowing attrition to plan for rehab. Heading for

24 vacancies so can move people within the building during construction. Tenants will move temporarily to furnished/completed apartments, their belongings will be packed and stored until unit is complete. Requesting letter of recommendation.

- Sue will determine if board can make recommendation to CHFA.

Marilyn Heller: Thanked Curt for speaking on panel regarding affordable housing.

Review and Approval of Minutes

Curt moved to approve the April minutes as amended. Jeff seconded.
Motion passed unanimously, 5-0-0.
Corrections: Change 500sf commercial to 5000sf (1st page public comment).
Kristin needs to be spelled correctly throughout.

AGENDA ITEM 1: Habitat for Humanity—Kristin Candella

Thanked board for support and reviewing funding for CDBG and HOME in the Spring Competitive Process.

Harmony Cottages recently had open house/neighborhood meeting for new development. Type 1 development—did not have to do public outreach. Had some opposition from neighbors—NIMBYisms. Owners spoke up at public hearing to defend project. Courtyards, green open spaces, attention to details, landscaping, playground. Beautiful project.

Lot costs have nearly tripled in last four years. Water tap fees in district are significantly higher as well. Having a developer willing to take out profit to lower lot cost has been a big deal.

Grassroots, local support, diverse funding including Habitat Restore. Habitat is both the mortgage lender and builder. People in this income range need stability and low debt. Selection criteria: need, live or work in Fort Collins, ability to repay mortgage, willingness to partner, save \$1500 down payment. Sweat equity: 1-2 years' worth of weekends. Take financial classes and other education. Make sure payment is never over 28% of monthly gross income—zero interest loan.

Worldwide: 1 house built every 4 minutes throughout the world. 70 countries.

On 6 of 10 homes in Ridgewood Hills. 10 unit complex supported by CDBG and HOME. Goal to build 8 homes per year. Avondale homes designed by Terence Hoaglund: 10 homes on 1.6 acres. 3 different floor plans—some are duplexes.

Community partnerships: Poudre High School build; dozens of partners—faith based to breweries.

Community impact: jobs, subcontractors, property taxes, etc.

Secured disaster recovery funding and leveraging funds with banks.

Comments/Q&A

- Jeff: Local Habitats contribute internationally?
 - Kristin C.: Yes. Global giving. All locations are sending teams around the world. For every ten houses built here, built 2-3 internationally. Faith relations manager recently built in Jordan.
- Sue: If income changes, what happens to payment?
 - Kristin C.: If income goes up, payment stays the same. If goes down, have ability to modify loan twice over life of loan.
- Jeff: Avondale is on West Trilby?
 - Kristin C: Yes. Adjacent to day care. Has established trees and open space.
- Jeff: Habitat is a CHDO? Requires expanded board with representation of the clients?

- Kristin C: 1/3 of board must be under 80% AMI. 15% of designated HOME funds must be set aside for CHDOs. Only active CHDO in Fort Collins. Seeking board members who meet those income requirements.
- Curt: Financing is complicated. Can you give an example?
 - Kristin C.: City has been critical. Land has been funded by CDBG and HOME funds. Homes themselves—about \$100K comes from home sponsor. Leaves gap of about \$35K on each house. That can come from federal home loans, Restore, fundraising events, campaigns, etc. For Avondale gap was funded by disaster recovery. For mortgage, difference between appraised value and what they pay sits as silent second and only comes back to Habitat if they sell.
- Sue: In past, has been safe for owners, but know at least one suffered foreclosure. Do you have less room to work with the owners if bundle mortgages.
 - Kristin C: Have to swap loan for a good one and buy back.
- Curt: Thinking of changing paradigm of discouraging people from selling homes?
 - Kristin C.: Local affiliate did strategic planning with outside resources. Shocked that developer asked why forgiving second mortgage—it is encouragement to stay forever. If making more income and can afford a market rate home, we can better use the existing unit to serve another family. Stopped forgiving second mortgages. With low vacancy, it is a good thing to get a house back when people do well and move up.
 - Diane: That creates more opportunity we have to get people into first tier homeownership—the sooner they can exit, the better.
 - Kristin C: Need to find lending institutions that can help people make that transition. Looking for bridges.
 - Sue: House would go to new habitat family?
 - Kristin C: If only paying out equity because they have the second, can reuse home. Have first right of refusal on sales.
 - Kristin F.: Owners build equity and buy as appraised?
 - Kristin C: For reasonable cost, based on appraisal. Seller gets equity that exists after they buy it.
 - Sue: If owner wants maximum price, they can?
 - Kristin C: Not any more. Now homeowners cannot sell to anyone under 80% AMI for 20 years.
- Kristin F.: Hours of sweat equity based on value of home?
 - Kristin C.: Not monetarily valued.
 - Kristin F.: Takes six months to build a house, but two years sweat equity?
 - Kristin C.: Can take 2 years from start of program to when home is complete. Build other homes, not just own.
- Diane: What can this board do to be supportive?
 - Kristin C.: Want to see Affordable Housing Coalition revived. Advocacy could happen collaboratively. Don't talk enough to stand up for each other.
 - Sue: AHC was ad hoc group that met for many years and included League of Women Voters, agencies, advocates, County, City, etc. Bryce Hach was leading H2020 and the Coalition was folded into Front Range Continuum of Care, which is focused on homelessness remediation.
 - Kristin C.: unsure who to turn to for advocacy in Fort Collins. Water tap question coming up and want to engage community. City used to have poster campaign.
 - Kristin F.: Would like this so don't have to explain the concepts to community for every project.
- Sue: Water issue is one that when have better understanding and more information can make recommendations. City is working internally on this issue.

- Diane: People who show up to oppose projects feel more comfortable giving arguments at public meeting, but may not be willing to request appeal from Council.
 - Chris Johnson, Bike Fort Collins: Interested in same issues, from a transportation perspective.
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AGENDA ITEM 2: CDBG Housing Applications Recommendations to City Council Discussion

CDBG Commission made recommendation for allocations. There will be enough funds available to do a second round of funding in the fall.

Comments/Q&A

- Diane: FCHA wants to bring permanent supportive housing to the fall process?
 - Sue: Unsure. Very high on list of FCHA priorities, but site fell through. Unsure who will put in applications.
- Kristin F.: Get FCHA activity report, but no others?
 - Sue: Inherited this. Chadrick used to attend meetings and decided to provide report in lieu of him attending. Most members read and appreciate this.
 - Terence: FCHA is biggest “client.”
 - Kristin F.: Ask other providers if they are creating report that can be shared.

ACTION ITEMS: Sue will reach out to other nonprofit developers to see if they can provide monthly reports.

AGENDA ITEM 3: Planning for 2016: Topics & Speakers

Speaker on Land Trust in June. Trying to get someone from CHFA to talk about mixed-income and mixed-use developments. These are part of Land Bank Review. Can use this forum as a way to bring speakers in for education.

Comments/Q&A

- Jeff: Would like to learn and implement policy.
- Sue: Help with Land Bank is great. Staff will keep board apprised of progress. Much is cathedral building—foundational. Work Session in October. Public Open House in September. Program is gift from past to future. They were guessing about needs. Proximity to employment, transit, schools, all still ideal, but AMI levels, 100% affordable, etc. may need updates. Ex: 60% AMI homeownership doesn’t always make sense.
 - Kristin F: Board could have its own work session on Land Bank. Ex: ordinance doesn’t allow mixed use. Critical tool to community. Suggest delving deeply into Land Bank and discussing options.
 - Sue: Feeding the board information as we get it, such as Land Trust speaker. Internal group is working on BFO to acquire more property. Have deployment of Horsetooth, learning a lot through that process. Also have review of ordinance. This board can be very helpful. Kristin may be able to give overviews of best practices.
 - Jeff: Have ordinance and study.
- Curt: Conversations take a while to get moving. Encouraged that City is looking at whether makes sense to have single use zoning.
 - Sue: Land Bank has parcels of varying size. Do not want to impede development or create unhealthy development.
 - Curt: Also, creating resources in an area can help broader community.

- Sue: Current ordinance—don't have mechanism to sell a parcel that no longer makes sense for affordable housing. That flexibility should be interjected into the program.
 - Kristin F.: Should be aligned with City Plan.
 - Sue: Banking defined as 5-15 years. If got parcel in TOD would not want to wait 15 years.
- Sue: Would like to bring in CHFA. Most affordable development that is going to occur will need tax credits. Don't want to conflict with tax credits. Need to understand it better. Allows mixed-income and mixed-use.
- Diane: Would like education on zoning. Why, how, and when does it change? What is impact? How does tax credit project work over top of that, etc.?
 - Sue: BFO offer for City Plan update that could lead to changes in zoning/land use codes. Could potentially change zoning on existing Land Bank properties.
 - Kristin F.: Suggest a matrix for impact on affordable housing density, etc.
- Jeff: Old Town Plan?
 - Sue: Will not impact Land Bank. That is ADU oriented discussion.
- Diane: Eight new people every day.
- Jeff: East-west politics, zoning, density, ADUs, etc. Have to start driving conversation on density, with little greenfield left.
 - Sue: Struggling with NIMBY perceptions of height.
 - Jeff: People will complain about any change.
- Curt: Zoning is a huge issue—unintended consequences. Exclusionary zoning—phrases like “neighborhood character” are ways to discriminate.
 - Kristin F.: Explanation of density in zoning would be good. See examples of units/acre and associated building cost.
 - Sue: Industry standards. Ex: 16 townhomes/acre is pretty standard, but we don't allow that.
 - Terence: 8-10 is what have done in Fort Collins. Much less open space with 16.
- Sue: Best use of board authority is to make recommendations to Council to affect change. Use internal experts. Statewide rent control may be too big of an issue for this board.
 - Jeff: Building knowledge base of board for next two to three years.
 - Diane: Board should spend most of its time addressing City issues.
 - Curt: Acknowledge statewide issues that affect housing in Fort Collins. If don't bring them up, not considered a problem.
- Sue: You+2 is brewing. Board of Realtors may take on the issue. Students are thinking of getting organized as well. Communication, messaging, public perception, stigma, etc. could all be under communication topic.
 - Jeff: Tour—break stigma by showing the properties.
 - Sue: If going to do tours, need a subcommittee. Or could use a slideshow.
 - Diane: create generic slideshow that is available to show examples when topic comes up.

ACTION ITEMS:

- Sue will:
 - Schedule Land Bank “work session” for board in August or September.
 - Ask Planning for a speaker on zoning and ask Old Town Plan project manager to return to board. Sue will consider how to bundle topics.
 - Add extra meeting for Fall Competitive Process in October.
- Kristin can present on density.

AGENDA ITEM 4: Other Business

Council Comments Planning

- Curt: Has considered approaching single Council members to discuss an issue. Ex: ADUs. Would like to talk to Bob Overbeck and Gerry Horak.
 - Sue: Can do that as an individual citizen or could represent board if board specifically requests this. Can return with a report. Can also invite Councilmembers to attend the board meeting. Ray Martinez is our liaison.

Updates

- Terence: Building Code Updates—discussing IBC which impacts commercial and multifamily. Early June will start residential. City amendments to building codes. Ex: how we do fire sprinklers. Staff is requesting things that would cost, but these are getting pushed back. Committee is adamant about costs associated with code creep. Revised every three years.
- Sue: DOH is doing all day event at Senior Center on age friendly/accessible design first Thursday of next month. Sue will send information.
- Jeff: Propose motion to support staff in drafting letter of support to CHFA, and request staff mentions the board supports the project. (DMA Plaza)
 - Sue: Rehab and preservation of senior affordable housing is consistent with AHSP. Is a need in our community. Must go through development process. Sue can provide high level support letter. Sue will send the kind of letter she normally does. Will note that board agrees the project is consistent with City goals.
 - Curt: History on project would be interesting to learn more about.
 - Sue: A lot of downtown merchants were involved in getting the project going.

ACTION ITEM: Sue will draft letter of support for DMA Plaza rehabilitation project.

Meeting Adjourned: 6:11pm

Next Meeting: June 2