

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

Date: Thursday, June 2, 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
Jennifer Bray
Curt Lyons
Kristin Fritz

Board Members Absent

Eloise Emery
Terence Hoaglund

Staff Present

Sue Beck-Ferkiss, Social Sustainability Specialist
Dianne Tjalkens, Administrative Clerk/Board Support
Ingrid Decker, Senior Assistant City Attorney

Guests

Jamie Baker-Roskie, Land Use Attorney at Coan, Payton & Payne, LLC
Marilyn Heller, League of Women Voters
Chris Johnson, ED Bike Fort Collins
Catherine Beckman, citizen
Chadrick Martinez, Fort Collins Housing Authority

Call to order: Jeffrey Johnson called to order at 4:04pm.

Agenda Review: No changes.

Public Comment:

Catherine Beckman: Has housing choice voucher, but paying attention to situation of seniors in her complex (Caribou). Seeing that rent increases at annual certification are significant; however, if a resident loses their job, there is no opportunity to decrease payments until the next cycle. People in need of a rent reduction must wait for a spot to open before they can get a decrease based on income. Housing voucher is more responsive if able to work. Unless on a completely fixed income, it is a train wreck waiting to happen. She herself is not likely to lose her shelter. However other residents are not as stable. “Inspectioned to death” due to all the different finance agencies for the project. Unless look at income restrictions, people will lose housing. Ex: Self-employed family has to make sure not to make too much or will have to move to market rate which they cannot afford. Ex: 76 year old woman who must work to keep her assistance. If she makes too much her rent will go over her Social Security and her other income is not stable. If only have really low income people in developments, have no mentorship opportunities.

Marilyn Heller: Excited about Oakridge Crossing development. Writing letters of support. June 9 P&Z is reviewing project.

- Sue: Hearing is in Council Chambers. Board may have opportunity to discuss sending a representative from the board or tackling as individuals.

Review and Approval of Minutes

Curt moved to approve the May minutes as amended. Diane seconded.
Motion passed unanimously, 5-0-0.
Corrections: date of next meeting

AGENDA ITEM 1: Land Trusts 101—Jamie Baker-Roskie

Worked with Athens Land Trust which does both land conservation and affordable housing. Helps municipalities decide on policy choices. Can be a resource to the board in exploring Land Trust options.

Other desirable communities around the country are having similar issues to Fort Collins in shortage of affordable housing and challenges to ownership. Gap is growing and will continue to do so—nationally gap between wages and housing cost is increasing due to globalization. Must look at long term. Revitalization can create displacement of lower income residents. Fort Collins is only municipality in Colorado that has a land bank. Typical responses are reduced financing costs, grants, and other short term assistance that does not impact affordability over time.

Land Trusts alter how ownership is structured to preserve affordability. Land trust movement started in Albany, Georgia. Clusters exist along east and west coasts. Fewer are scattered throughout the states, with four in Colorado. Urban Land Conservancy is great resource for overlays with TODs. Community Land Trust is usually structured as a 501(c)3, has place-based membership, community-based organization, and 3-part governance (homeowners/renters on land trust property, community homeowners, and public entities).

Land Trust retains ownership of the land; land is leased to homeowner (99 years) with restrictions for occupancy, etc. Can do rental housing and commercial development in similar way.

Resale formula—owner gets some of appreciation, restricted to a certain percentage. This maintains the subsidy to be recycled to new owner, and land trust gets other portion of the appreciation. CLT maintains affordability, but deed restrictions can do the same (i.e. Habitat). CLT benefits include buy in from community, sense of organization being answerable to community, level of support offered to homebuyers, monitoring to make sure homes are kept up, and additional services provided to owners. Can intervene if in risk of default. CLT loans perform well compared to others—foreclosures and delinquencies much lower compared to other ownership types.

Comments/Q&A

- Jen: On par with lending for manufactured housing in challenges. Some will not lend to owners on leased land.
 - Jeff: Can't lend in this case?
 - Jen: For condos have investors, but don't have investors that will buy homes not attached to land. FHA will lend to HUD manufactured homes, but very challenging. Don't have any investors to do a lease hold. Have partners to refer to. It's a portfolio product.
 - Sue: Have heard it is a harder sell for lenders.
 - Jamie: Georgia has a community fund. There are more investors and funding models than there used to be. Athens land trust has a lender they work with, and include financial education.

- Kristin: Main rationale is federal-public funding is no longer supporting that model, so it is not sustainable to keep the small scattered sites. Do get economy of scale in multifamily as well.
- Diane: Has Habitat ever partnered to become a land trust organization?
 - Jamie: Haven't heard of this, but can check.
 - Sue: Habitat chairman is interested in learning more about CLTs.
- Kristin: Land bank idea was to hold land for long periods. Land trusts buy and hold as well?
 - Jamie: More short term—buy land and get units built.
 - Kristin: ULC picked up property in future transit development area.
 - Jamie: To the extent can be strategic, that is great. ULC is functioning more as a land trust.
- Sue: Information sent by Eloise—information on land bank was not like ours. Our land bank is more similar to a land trust.
- Jamie: Atlanta has a land banking statute. Atlanta and Georgia are dealing with tremendous blight and foreclosed properties. Have more opportunity to assemble parcels.
 - Jeff: If came out of different need, historic models may not work for Fort Collins.
 - Jamie: Have people in Denver to go to for expertise in what works here.
- Jeff: Models from operational standpoint? What is cost? What are funding sources?
 - Jamie: CCLT is good resource. Pitching to 60-90% AMI.
 - Jeff: AMI restrictions? Or can they do what they want as a 501(c)3?
 - Jamie: If not getting federal funding, can do what you want. Funding will only go to 60%.
- Jeff: Move up housing piece has little opportunity in Fort Collins, and it is not being addressed. How do you operationally fund without making it a developer with fees.
 - Curt: Land drives everything. If pay \$250K for a lot, build a \$1M home on it. If take cost of land out, and get other sources than federal, can go to 100% AMI.
 - Sue: Trusts have gotten land through brownfield, or other compromised value issue. When already valuable land, harder to justify giving land to CLT. Land Bank properties has impediments, but not compromised.
- Curt: Land bank is long term and land trust is short term.
 - Jamie: Models of smaller developers doing infill/redevelopment, doing ADUs and “condominiumizing” them. Broader conversation.
 - Jeff: Had been thinking land bank model was to grab land cheap and put back on market fairly quickly, while land trust with long term lease seems much longer term.
 - Sue: Current land bank preserves land in perpetuity.
 - Kristin: Works because was bought before development came in. Land trust goal is to activate as soon as you can. Involvement in both is long term.
 - Jamie: Deed restrictions are temporary. Many properties coming out of 30 year restrictions right when market needs lower cost units.
 - Sue: Deed, mission of developer, and funding sources will keep land bank properties affordable in perpetuity.

AGENDA ITEM 2: 2016 Agenda Planning

Looking for speakers for messaging/communications and for barriers to affordable housing. Land Bank Review open house in September, goes to Work Session in October. Requesting changing October meeting date to the 13th.

Comments/Q&A

- Jeff: Would CPIO be ones to discuss getting pictures of affordable housing up in City Hall? Important to education piece.

- Sue: Yes, good resource. Will contact CPIO.
- Kristin: Needs to be whole campaign around it. Takes a lot of thought around who lives in affordable housing, what it looks like, etc.
- Sue: Did that with poster campaign on consumers of affordable housing. New campaign around housing itself?
 - Diane: Or hybrid.
 - Sue: Will have to ask for specific funds. Could do as interim offer. If there is excess revenue can request for one-time project costs. Start planning ideas. Sue can present as interim BFO offer.
 - Curt: Can't get rid of faces; people can't relate to buildings alone. Combination.
 - Jeff: When went on van tours was completely shocked at what was affordable housing product. Have to break down stigma and introduce client.
- Jeff: Request map of areas to be down-zoned by Old Town Plan.
 - Kristin: Could become duplexes.
 - Sue: Zoned LMN.
 - Kristin: Lots are too small for much more than duplexes.
 - Sue: Across from Beaver's Market, putting in 6 townhomes plus a coffee shop. Neighbors did not like the density.
 - Kristin: Planners felt this is opportunity to clean up the zoning, but this board feels prior planners had it right. Don't want to preclude having duplexes and triplexes built.
 - Curt: Downzoning only hurts inventory.
- Kristin: Have zoning and density discussion before Old Town Plan returns to board?
 - Sue: CFHA is coming in July and could put this in as second topic. Can switch out Land Bank with density and have discussion on same day as Old Town Plan. Sue will update calendar. Will ask CHFA to focus on mixed income and mixed use of LIHTC. How are mixed uses being accommodated? Likely Land Bank will want to use same funding, so want to make sure ordinance changes are not in conflict.

ACTION ITEMS: Sue will talk to CPIO about getting photos in City Hall and/or other City buildings.

AGENDA ITEM 3: Other Business

Council Comments Planning

- Diane: Charge on this board is to make recommendations to Council and bring issues to light. Stay focused on that role.
- No scheduled topics.

P&Z Hearing

- Individuals contacted by Arthur McDermott. If write a letter or appear, become an interested party. Project is seeking modifications. There is organized opposition. It is affordable age-restricted product, consistent with SSD goals and plans. Sue can answer questions, but cannot provide specific support for the project. June 6, 6:00pm.
 - Diane: Lutheran Family Services wrote a strong letter of support. Comfortable with that level of support. Not sure she will be able to attend the meeting.
 - Jeff: Must recuse himself from the discussion.
- Kristin: What is precedent of board supporting a project? Is it appropriate role of the board?

- Sue: Role of board is to advocate generally and advise Council. Council is not much involved at this point. Staff can answer whether the project is consistent with goals and plans. P&Z decides if this is the right location.
- Curt: What is best verbiage if not speaking as board member?
 - Sue: “While I am a member of the AHB, today I am speaking as an individual...” Also have to decide if board is going to formally support the project.
- Catherine (citizen): Living on Timberline with no bus route and dangerous street to cross. No playground, tiny pool, can’t cross railroad tracks to go to McMurry. It requires a car to live there. Most people who are older than 65 don’t want to go on Harmony due to density of traffic. If no reliable public transit, not sure how stable it will be.
- Jen: Don’t think board needs to support this project.
 - Kristin: If it gets appealed to Council, that is more direct role for this board. But we would not become an interested party if we don’t comment at P&Z.

Updates & Liaison Reports

Curt: Went to second annual summit on housing affordability issues in Denver last week. Section on small scale affordability, which included ADUs. Talked about cohousing, tiny homes, micropod apartments, etc. Denver is realizing it will take everything we have to help housing crisis. Denver has task force with private architects. Looking at absorption rate impact of ADUs. At 10% absorption, would equate to 21K new units. Scalability. Market rate affordable housing. Also addresses economic diversity in neighborhoods.

- Jeff: Absorption is from a zoning perspective—not everyone who has the right to have an ADU will do it.
- Curt: Right now allowed in 23% of Denver. In Vancouver, 94%. They had over 300 permits last year. Denver looking at increasing percentage.
- Jeff: What is market response when allowed by right?
 - Curt: Denver is looking to other cities. Not sure of potential.
 - Kristin: That is biggest concern—people are afraid that everyone will add an ADU and double the density and vehicles on a street. Helpful to have data of percentage of those who actually add an ADU.
- Sue: Talked about current barriers in Denver?
 - Curt: Restriction to 23%; building, permit and entitlement fees; and actual cost to build. Could easily spend \$100K. Cities that put onerous fees on these are cutting off own noses. Adding money to economy, increasing home values, increasing property taxes, etc. Durango has had great success.
 - Sue: Cameron Gloss worked on ADUs in Durango. Neighborhood by neighborhood they chose whether to allow and types.
- Jen: If I go to P&Z and request ADU and am denied, is that tracked? So expensive that even if everyone was allowed to do so, still would be low number of requests.
 - Jeff: HOA covenants would restrict in many parts of town anyway.
 - Sue: Even where it is legal it is cost prohibitive.
 - Curt: And lot size requirement is huge in three zones where it is allowed.
 - Sue: Can do large addition to home, but if add a stove it becomes a duplex or ADU and incurs additional fees.
 - Jeff: FAR (floor area ratio) prevents ADUs in downtown.
 - Curt: Internal ADU does not change FAR, but minimum lot space is still a barrier.
- Jen: Separate water tap fee?
 - Curt: Not sellable as separate unit, so shouldn’t be.
 - Kristin: Intervening in the market.

- Sue: Some places have different rules for family members—temporary dwelling units for elderly family. Supposed to remove unit once the family member no longer lives there.
- Kristin: Many other barriers in the land use code. Number of lots that meet the requirements is small.
 - Sue: Old Town Plan staff agreed with that.
- Kristin: Denver has hybrid, form-based code. It has standards for ADUs.
- Sue: Was speaker today helpful?
 - Members agreed yes, helpful, but not as deep as they would have liked. Report provided and Eloise’s additional information were very helpful.
- Curt: Videos from the conference that put faces to those struggling with housing affordability. Sue will send out link.
- Kristin: Redtail Ponds video is almost done.
 - Sue: Cable 14 might be willing to run it.

ACTION ITEMS: Sue will send links to videos.

Meeting Adjourned: 6:14pm

Next Meeting: July 7