

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

Date: Thursday, February 2, 2017
Location: Community Room, 215 North Mason Street
Time: 4:00–6:00pm

For Reference

Diane Cohn, Chair
Ray Martinez, Council Liaison
Sue Beck-Ferkiss, Staff Liaison 970-221-6753

Board Members Present

Diane Cohn
Jeffrey Johnson
Eloise Emery
Curt Lyons
Catherine Costlow

Board Members Absent

Jennifer Bray
Kristin Fritz

Staff Present

Sue Beck-Ferkiss, Social Sustainability Specialist
Mike Gebo, Chief Building Inspector
Christine Macrina, Publicity/Marketing Tech

Guests

Marilyn Heller, League of Women Voters
Zinia Mendoza, Funding Partners

Call to order: 4:00pm

Agenda Review: No changes.

Public Comment: Marilyn Heller—Youth homelessness will be focus for League of Women Voters upcoming panel discussion.

Review and Approval of Minutes

Eloise moved to approve the January minutes as amended. Curt seconded.
Motion passed unanimously, 5-0-0.

AGENDA ITEM 1:2017 PAB Assignment Request

Every year get an allocation of PAB capacity from the state—it is the authority to take on debt. Formula dictated through IRS—about \$8M this year. if no requests, goes back to the state. Housing Catalyst has come in early and requested entire amount. Today received a call for a project that received bonds last year, which may need more bonds this year. May be able to wait for 2018 bonds. Policy is first come first served. Have eligible request, so staff is currently recommending allocation to Housing Catalyst for rehabilitation of Village on Shields. This project already has bond capacity

(\$35M), but project scope has changed and CHFA is using full market value instead of appraisal and is requiring them to have ½ of value in PABs.

Comments/Q&A

- Diane: Should we consider a hard deadline for requests?
 - Sue: Two years ago wrote and approved a process for when there is competition for the bonds, but have not had that situation yet. Housing Catalyst is trying to close the deal in May, before regular allocation timeline. The other project that may make a request is DMA Plaza, but could probably use 2018 bonds. If need in 2017 can get directly from the state.
- Curt: No current deadline for PAB requests?
 - Sue: No. Tax credit application deadlines, deadlines for Competitive Process. Deadline to for City to assign PABs is September 15 every year.
- Catherine: With first come first served, could a project request 2018 PABs now?
 - Sue: Would ask them to make the request in January when the PABs become available.
- Curt: Housing Catalyst is pouncing since they know the policy.
- Catherine: We knew we had the allocation in January?
 - Sue: Yes. Housing Catalyst needs funding in place by May closing so can begin rehab. HC project requires entire allocation.

Curt moved and Diane seconded the following motion:
The Affordable Housing Board approved a motion to support allocation of PAB to Housing Catalyst for the rehabilitation of 250 units at Villages on Shields.
Motion passed unanimously, 5-0-0.

- Diane: project we have known about for over a year.
- Jeff: Preservation is high in priorities. How often has it gone back to state?
 - Sue: have used it last few years. Before that reverted to state for about 8 years.
- Diane: PABs becoming more important piece of financing.
 - Sue: One way to show local support.

AGENDA ITEM 2:2015 International Building Codes Update and Local Amendments—Mike Gebo

Moving forward with adoption of 2015 International Building Codes.

Five Codes (books) to Adopt:

1. Commercial IBC Building Code—helps design building
2. Residential Code—for small residential builder
3. Mechanical Code—systems like furnaces
4. Fuel Gas Code
5. Energy Code

Do not adopt plumbing and electrical codes—those are done at state level. Most up to date building standards—establish minimum construction requirements, structural strength, materials that can be used, sanitation, etc. Purpose to safeguard public and one building from another.

Codes are reviewed on a three-year cycle by International Code Council. Have been adopting codes since 1924. All codes are improvements designed to fix issues that have occurred.

For local amendments, have volunteer committee (builders, developers, etc.) that compares International Codes with local amendments. Look at major changes. This cycle the changes are more

edits that content. Always keep housing affordability in mind with review of codes. Did not see any changes that would have substantial impact to cost in most recent update.

Plan-Do-Check-Act: Code review process checks what is working and not, and will act on it.

Commercial code requires expensive/high quality sprinkler system in multifamily. Allowed coming down to next level of system for smaller units to make more cost-effective. Requiring shielding down of exterior lights for new buildings to reduce light pollution. No additional cost. Because of fires at affordable housing units in the past, last code update banned the use of vinyl siding. Council will have option to add exemption for vinyl siding with change in sheet rock used. In IRC have permit exemptions list, ex: for small sheds that don't need permits—finding them right up at property line. To remain exempt have to be 3 feet from property line to keep sheds from being too close together. Will be requiring windows for loft sleeping areas to ensure there is a fire escape route. Dwelling units with gas cooking, require venting to outside, but changed CFM requirement in update to reduce cost. Want all new homes to be photo voltaic (PV) and electric vehicle (EV) ready.

Energy Code—last two cycles really raised the bar. No significant changes in this cycle.

Seeking support from board.

Comments/Q&A

- Diane: International standards?
 - Mike: Actually national standards. The whole country uses these codes.
- Diane: Any affordable housing providers or developers on committee?
 - Mike: No. Reached out to boards and commissions when started, and had no response. Had a lot of builders. Voluntary.
- Curt: The committee found only couple hundred dollar cost increase to a single family home since last code adoption?
 - Mike: Correct. Last update had more significant impact on building cost.
 - Curt: Fire suppression for duplexes is \$8000+ for plumbing.
 - Mike: When talked about sprinkling in last cycle found that plumbers do not want liability of installing fire suppression systems. Increases cost to get a specialized installer.
- Catherine: Why should PV and electric vehicle charging be required, not optional?
 - Mike: They are optional now. Council is prioritizing Road to 2020 (Climate Action Plan) goals, Utilities is promoting PV—should help make as easy as we can. Lowers cost to add these items.
 - Catherine: Government pushing their goals, not about safety. Not something everyone wants.
 - Sue: Only for single family?
 - Mike: Yes. Small step.
 - Sue: Could an AH home request an exemption (ex: habitat)?
 - Mike: Building and Planning departments can look at that. Normally code requirements are required for everyone.
 - Diane: for people in lowest income and developers building to that population, want to keep their costs as low as possible, while continuing to build.
 - Mike: Cost of solar is dropping and savings for utilities could be offset.
 - Jeff: Cost?
 - Mike: About \$200 per home. If no garage then will not have EV charging.
- Curt: Duplex would need 13R sprinkler system?
 - Mike: Single family, duplex and townhome are under IRC and can have P2904. Multifamily uses 13R. 13R requires a specialized installer. P2904 can be installed by a plumber, if they will do it.

- Jeff: If local plumbers didn't respond as expected, is there discussion about pulling that requirement?
 - Mike: Codes have required all new buildings to be sprinkled for last few code cycles. Sprinkler system purpose is to give people more time to get out, not to save the building. Hope to push the plumbing industry to make these installations.
- Curt: If AHB came out against these updates, what would be the impact?
 - Mike: Unsure. Council is committed to keep moving codes forward. Our ISO (Insurance Service Office) evaluates Building Departments. City rating is #2, which is outstanding, due to the staffing, enforcement, and codes. Cost of insurance for buildings is lower due to ISO rating. Will present concerns and recommendations to Council.
- Sue: Ever written in a code "except for certified affordable housing projects," such as for PV and EV?
 - Mike: It's possible. Council doesn't generally like to craft code.
 - Sue: The intention is cost reduction in long run—help the house become more efficient and help the household with EV and PV, while working toward City's carbon reduction goals.
 - Eloise: Cost of energy will become so high, that will not have AC or heat unless have alternative sources.
- Jeff: Cost to install PV on a small home?
 - Mike: Don't know installation cost. Site specific. Market driven.
 - Sue: Solar City program to lease, City has incentive programs and is building some for low income.
- Jeff: If \$200 extra to put in blank panel, how much would it cost later?
 - Mike: \$700-range, but dependent on home. Signals and power to electric panel—run through roof, attic, etc.
 - Diane: Doesn't take into account that there are ways to do solar without having it on your house. Ex: buying into community solar garden.
 - Mike: These systems are designed to stay with the home. You may not use it, but the next buyer may.
 - Curt: Would never be cheaper and more efficient than when the house is under construction.
- Jeff: Is this an opportunity to send Council a signal that code creep is not a good thing?
- Catherine: Is PV and EV part of international codes?
 - Mike: No. Local amendment.
- Curt: AHB concern is code creep makes building home more expensive. If we are pricing people out of housing, are we really increasing safety?
 - Mike: Understood. Last code cycle was biggest cost increase.
- Eloise: Affordable housing will have to be exempt or subsidized for code costs. Can we discuss this with Council?
 - Diane: Clear that this update has less fiscal impact. In affordable housing can't get money back in rent—must find dollars elsewhere. Can consider exempting things that are not safety related.
- Jeff: Every time make market rate more expensive, forcing more people into subsidized. Have done this by getting rid of housing types. Need to make market rate housing less expensive as well.
- Jeff: Like idea of adding PV and EV systems now. Could you get a credit on utility tap permit fees if certified affordable housing project?
 - Mike: A decision Council could make.

- Catherine: EV and PV not part of public health and safety. People can request this from their builders.
- Jeff: Have not been able to get traction with Council on a fee rebate. Use this as opportunity to plant the seed.
 - Curt: Environmental issue. Human cost of climate change is not addressed.
 - Eloise: There are huge costs to health by not doing PV and EV.
 - Mike: Permit fees are based on valuation—cost per square foot
- Sue: Will continue to look for solutions around affordability. Showing places where this can happen.
 - Mike: Council is interested in the cost of code. There is a staff group researching the cost of fees.

Jeff moved and Diane seconded the following motion:
 The Affordable Housing Board will write a memo to Council generally supporting the adoption of the International Building Codes. However, code creep is a continuing problem. This update will increase costs because of the PV and EV requirements. These requirements provide long term benefit, but do not address health and safety, and increase upfront costs. The board asks City Council to consider rebating the costs of EV and PV, to certified affordable housing project.
 Motion passed unanimously, 5-0-0.

ACTION ITEMS: Sue will draft a memo and circulate to the board for edits.

AGENDA ITEM 3: Other Business

Open Discussion

- Consider planning an affordable housing tour.

LITEC Funding Changes

- Diane: Expecting corporate tax cuts with new federal administration. Affecting LITEC properties—companies providing tax credits give those credits to AH developers at a certain rate and they take the money off the bottom line of their taxes—a credit, not a deduction. What the developers are paying has not been dollar for dollar. Recently has been as high as 1.18/dollar. With corporate tax break, companies have less incentive. Looking at significant gap in funding.
 - Sue: Uncertain what corporate tax rate will settle on. Right now 35%.
 - Diane: HC is looking at \$5M gap for Villages on Shields due to changes. Looking for other funding sources.
 - Sue: Gaps at two projects, but have strategies to fill the gaps.

Education Subcommittee

- Jeff: decided to do two events this calendar year: 1. Request Ray Martinez dedicate one of his listening sessions to housing affordability. 2. Community Panel Discussion based on themes from the listening session. Also, getting existing clips on FCTV regarding housing affordability.
- Sue: FCTV can run longer pieces as well, so long as approved by the board.
- Eloise: Other members are welcome to join the subcommittee. Can also bring up at Council public comment.
- Board agreed to have FCTV begin running housing videos. Liveaffordablycolorado.org.

ACTION ITEM: Sue will send link to videos upon request.

Agenda Planning

- Discuss citizen letter requesting board change position on short term rentals.
- March 23 Housing Application Ranking Meeting

Other

- Sue: Attending Work Session on fees. Potentially forming work group to review all fees.
 - Christine: Upcoming superboard meeting—CAP and appropriate use of public space.
 - Eloise: New Library Park development—asking price is \$1.4M.
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Meeting Adjourned: 6:00pm

Next Meeting: March 2