

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

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

**For Reference**

Diane Cohn, Chair  
Ken Summers, Council Liaison  
Sue Beck-Ferkiss, Staff Liaison 970-221-6753

**Board Members Present**

Diane Cohn  
Catherine Costlow  
Kristin Fritz  
Jennifer Bray  
Curt Lyons  
Jeffrey Johnson

**Board Members Absent**

Eloise Emery

**Staff Present**

Sue Beck-Ferkiss, Social Sustainability Specialist  
Tina Hopkins-Dukes, Minute Taker

**Guests**

Pete Ingo, Utilities  
Lance Smith, Utilities  
Clay Frickey, City Planner  
Beth Rosen, Social Sustainability  
Greg Wells, Senior Advisory Board  
Amy Molina, Community Member

**Call to order:** 4:02 pm

**Agenda Review:** No changes

**Public Comment:** None

**Review and Approval of Minutes:**

<p>Curt moved to accept the June meeting minutes as corrected. Jen seconded. Motion passed unanimously. The correction is to the date. The date should be June and not March.</p>
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**PRESENTATION: Update on Loveland’s Affordable Housing Programs - Alison Hade – City of Loveland, Community Partnership Office**

Alison Hade presented on the Affordable Housing Programs offered by the City of Loveland. Hade stated that Loveland has two grant programs, one for services and one for bricks and mortar. Hade discussed the current Loveland projects including addressing homelessness. Their office is addressing homelessness in a unique and innovative manner. They are using vouchers for permanent supportive housing and also building small homes, (400 sq ft) which are built by high school students. These small houses will cost \$500 each to build and will be built by high school students. They have agreed to build 15 houses for this project. Loveland is hoping to start construction this Fall. The students are part of the Geometry in Construction math class and are currently building houses for Habitat for Humanity.

Hade's office is working on rewriting the Affordable Housing Code basing on incentives for building multi-family and single family housing. Hade's office is currently focused on multi-family dwellings. Hade shared how the Purpose (16.43.010) of the Affordable Housing Code has been taken directly from the City's Comprehensive Plan. Loveland is looking to increase their affordable housing stock and have taken steps to achieve this by creating what they call "Preferred Providers." Preferred Providers are Habitat for Humanity and Loveland Housing Authority since they are the organizations that the City of Loveland relies on to help address their housing issues.

Loveland's City Council also decided to take 1.25% of all unassigned Sales Tax and put it towards affordable housing by adding those funds to the Community Development Housing Fund which they estimate to be around \$500,000 a year and caps at \$2,000,000. The first step to access these funds is to submit an application. The application asks general questions such as, description of the development, unit size, estimated rental per unit, history of the developer, and local letters of support for the project. The application is reviewed by the Affordable Housing Commission and then presented to City Council with their recommendations. If Council approves their application, their building permit fees, capital expansion fees and enterprise fees are locked in at the current rate. Once the developer has the fee lock approval, they can go back to Council and ask for a fee waiver. The fee lock lasts for 5 years and then goes up by one year if the development is not completed. After ten years the fee lock goes away completely.

Fee waivers are defined by boundaries. Housing Authority receives 100% fee waiver. Hade said that the City of Loveland deed restricts everything. Single Family, (for sale property), has a 20 year restriction, Public Facility has a 25 year restriction, and Multi-Family, (for rent), has a 50 year deed restriction. The deed restriction helps weed out those who are trying to make a quick profit. The City of Loveland used to cap the fee waiver at \$65,000 a year but they are working to change that and waive all fees for providers such as their preferred providers.

Loveland is working on solidifying the Code for fee lock - fee waivers in terms of "for sale, for-profit" single family home projects. AMI requirements for home ownership in Loveland are 60% - 120% AMI. Now the City is trying to figure out the target price to be able to build a \$200,000 product. During the deed restricted period if the owner wants to sell the property, it must be sold to an income qualified buyer unless Council approves a hardship waiver. This means the seller has to pay the City a percentage of their profits. This is calculated in increments of 5% every year of the 20 year restriction period. For example if you sold the property one year from the original sale date, 95% of net proceeds goes to the City, 75% at five years, 50% at ten years, 0% at 20 years. Hade said they are not going out marketing this, they are not going to be able to solve the housing issue, but they are trying to get affordable housing in Loveland by providing incentives and making it easier to build these units.

#### **Comments/Q&A**

- Greg Wells: How do you define homelessness?

- Alison: We are looking at the infrastructure regionally and basing it on the vulnerability or likelihood that a person might die if they are sleeping on the streets. We house the most vulnerable first.
- Curt: What does that percentage equate to? 1.25% sounds like a lot and seems like that's a big priority.
  - Alison: This is a big priority for the City of Loveland which is why Council chose to designate 1.25% towards addressing affordable housing and homelessness. It equates to about \$500,000 a year and there is a cap set at \$2 million dollars.
- Jeff: Are there land use restrictions?
  - Alison: Yes.
- Jeff: Do you back fill?
  - Alison: Yes
- Sue: Do you back fill with General Funds?
  - Alison: We used to back fill with General Funds but now we are going to use the Community Development Housing Fund that comes from the 1.25% of unassigned Sales Tax.
- Kristin: These fee waivers are regardless of AMI?
  - Alison: The fee waivers are calculated like this:  
 30% AMI = 100% fee waiver  
 40% AMI = 90% fee waiver  
 50% AMI = 80% fee waiver  
 60% AMI = 70% fee waiver  
 The developer can have mixed AMI and even market rate units. The waivers are based on the number of affordable units as listed above.
- Diane: Is the money per year?
  - Alison: Yes. If more than one developer brought projects to the City that year, the preferred provider would receive the funding first.
- Sue: Sounds like you don't waive fees for for-profit developers
  - Alison: We don't waive fees for units over 60% AMI. At least 50% of the units must be at 60% AMI or below to be considered for a waiver.
- Sue: Is the reason you back fill enterprise only based on a legal premise?
  - Alison: Yes.
- Jennifer: Could a developer apply for fee waivers if they wanted to build 100 units at 80% market rate and 20% AMI of 60%?
  - Alison: Yes. They could apply for waivers for the 20 units that are affordable.
- Sue: It doesn't say which fees can be waived.
  - Alison: Somewhere it says "non-backfill" which means enterprise fees.
- Curt: I commend the work you are doing and the fact that you are moving forward taking risks by not knowing how to do this perfectly and learning as you go. You are getting things done in a timelier manner than waiting years trying to figure it all out perfectly.
- Diane: Fort Collins has a little different culture in terms of fee waivers. What is the perspective of Loveland Council?
  - Alison: When the floods hit, Loveland had zero debt so they are in a good place to do something less conservative to address housing issues. Suggestions for you might be to start with a 5 year lock; Report to Council on what others are doing; Get an advocate on City Council; and have an Affordable Housing Fund so you can control financing, land sale, and building fees.
- Curt: If you control the land and building fee, that's a big chunk of the cost to build the home.

- Alison: Yes, and Loveland doesn't have a land bank. Fort Collins has a lot of land they control.
- Sue: Denver does that. Since the developer doesn't have to finance the land it saves them several thousand dollars a year.
- Diane: We need to think about this regionally.
- Catherine: How much have you waived in fees?
  - Alison: On average \$900,000 yearly.
- Curt: We have lots of restrictions in terms of zoning. What is Loveland doing to address market rate for things like duplexes and condo's?
  - Alison: Complete Neighborhoods. You can have any kind of house but must have 3-4 housing types (multi-family, duplex, etc.) and a center gathering point. This also includes complete streets based on level of transportation. First is pedestrians, next is bicycles, and finally cars.
- Diane: Might we look at city size and budget amounts and bring that information to Council?.
  - Jennifer: Locked fees are not considered waiver. It is just what the fee costs are.
  - Kristin: The fee lock should be an incentive.
  - Sue: Locking fees can be beneficial.
  - Catherine: Five year increase is good so that the developer doesn't wait too long before completing the project.
  - Jennifer: By telling the developer they will pay more if they wait is like the carrot.
- Diane: Is this something we should put into the City Plan?
  - Kristin: I don't think we have to wait for the City Plan. We should just present this as a tool or recommendation.
  - Sue: Will bring up the locking of fees again with the fee committee.
  - Kristin: Curious about the preferred partnerships.
- Diane: Maybe we should be more involved in housing projects. We need to work with our Council Liaison.

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### **Agenda Planning**

- August meeting: Sue update on Provincetown and Christine Macrina – Board software.
- September meeting: Beth Rosen – HBA and deed restrictions.
- October meeting: Sue – Private Activity Bonds

**ACTION ITEMS:** Reach out to our Councilperson and ask for a meeting to learn more about him and then invite him to an AHB meeting. Work on next steps and discuss at next meeting. Jennifer will send the Board an article on You + 2

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**Meeting Adjourned:** 6:23pm

**Next Meeting:** August 3