

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

Date: Thursday, January 8, 2018
Location: Colorado River Room, 222 Laporte Avenue
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
Curt Lyons
Catherine Costlow
Kristin Fritz

Board Members Absent

Eloise Emery
Jeffrey Johnson
Jen Bray

Staff Present

Sue Beck-Ferkiss, Social Policy & Housing Project Manager
Brittany Depew, Administrative Assistant/Board Support

Guests

Sam Solt, Economic Advisory Committee Chair
Ted Settle, Economic Advisory Committee Vice Chair

Call to order: 4:01

Agenda Review: No changes

Public Comment: None

Review and Approval of Minutes

Curt moved to approve minutes as corrected. Jen seconded. Motion passed, 3-0-1.
Catherine abstained due to absence last month.

AGENDA ITEM 1: Boards and Commissions Cross-Pollinating: Sam Solt (Chair) & Ted Settle (Vice Chair)—Economic Advisory Committee

Seeking feedback about increasing collaboration between boards and commissions, particularly those connected to Sustainability Service Area (5 total). The general intention is to decrease work within silos and to create more informed judgement about issues related to sustainability. Would carry more weight due to wider diversity of opinion behind it. Sent this proposal to City Council and their deadline for feedback is January 12. Experiencing current situation as:

- 1) Most or all boards and commissions work independently of each other—even when inter-board/commission discussions could be valuable
- 2) An integrated approach to Triple Bottom Line (TBL) thinking and action is critical to sustainability and needs to be advanced

- 3) The integration of TBL thinking is greater across City's departments than in boards and commissions
- 4) Many members of boards and commissions express concerns about minimal engagement with and apparent impact on City Council
- 5) Many members of boards and commissions question the effectiveness of being asked to make recommendations after only brief overview presentations by various City entities

There will be a steering committee to guide the project, anticipate two meetings this year, and will create a final report at the end.

Comments/Q&A

- Diane: When I look at the list of boards and commissions included, it depends on the issue, but there may be others that are appropriate. For example, if we're talking about development, we're often also talking about planning and zoning. How did you get to this list specifically?
 - Ted: These all have liaisons within the Sustainability Service Area. It's a way to manage the project. We wanted a fairly small number of boards and commissions in order to see repetition. If this were to move beyond this first year, I do think it would expand beyond this service area.
 - Sue: The proposal does provide that others could come, just not as part of the core group.
 - Diane: My initial reaction is that it's great to do that cross-pollination. The likelihood of us coming up with something more impactful and potential for recommendations that might make real change may really occur out of this. And I don't want to water down the strength of what boards are doing. It's a little scary to create another level, excluding some boards and commissions with the implication that this combined thing has more impact while the other boards and commissions continue to have little or none.
- Sue: I could see this being issue-driven. Once you pick your issue, that may drive who is included.
 - Kristin: It's hard to think of a sustainability topic that wouldn't include transportation or energy, so it is topic-driven.
 - Diane: Essentially, sustainability covers everything in a way. It's what we're aiming for—it's the City's general goal.
 - Sue: It is overreaching. However, the triple bottom line scan assessment tool might be appropriate for Sustainability Service Area boards and maybe no one else is needed. You mentioned the Women's Commission breakfast, and I think that's just general networking, while this is more topic-specific and focused.
 - Diane: And I think the Super Board meeting is the City's effort to do some of that cross pollination as well, so I don't know where that line might intersect.
 - Sam: Have you attended a Super Board meeting and have an impression?
 - Diane: Yes, and it felt like a lot of topics with not enough time to discuss.
 - Ted: I haven't been to one, but my impression is that it's informative only and doesn't lead to anything going to Council.
 - Sue: Many presentations are to inform, but some may be for feedback or collaboration. Generally speaking, it is an information dissemination format.
- Diane: I'm also thinking about the Capital Expansion Fee Work Group that has multiple board members from different boards, as well as business owners and City employees, so

some of this is happening on that particular topic. I don't know if others of that kind of thing are occurring.

- Sue: City Plan is gearing up, and there will be subcategories/working groups and one on housing will seek a representative from this board. That's something to consider—how many asks people are having outside the regular board schedule.
- Ted: These meetings would replace your regular monthly meeting. All the members would be invited.
- Kristin: So the agenda for that meeting would be the chosen topic?
- Sue: Yes. The steering committee would have one representative from each board, but the biannual meetings would be with everyone.
- Curt: That might not be practical to miss a regular monthly meeting.
- Ted: We could give every board and commission the choice.
- Sue: Because all the boards and commissions have different regular meeting times, it might be difficult to find a time that works for everyone. I agree it might be difficult to be in lieu.
- Ted: We will be taking these suggestions and modifying the proposal.
- Diane: I would suggest coming up with an estimated time commitment for steering committee members, biannual meetings, review of materials, etc.
- Curt: We talk about the lack of affordable housing or escalating housing costs but we don't get to talk about whether something is overpriced or whether people aren't making enough money. In reality, you can't look at an affordability issue without the other side of the coin (economics of affordability).
- Sue: The proposal said two topics would be chosen (one for each meeting) drawn from issues in the six-month calendar. Is the function of this group meant to be a triple bottom line review of a particular topic or a general conversation?
 - Ted: The triple bottom line is a vehicle, a tremendous idea that is in its infancy and people aren't very familiar with yet. The biggest thing is picking a topic that everyone can come together on.
- Diane: Do you two have some sense of an issue that represents the most ideal scenario?
 - Ted: We've talked through things and it's all in the proposal. I'm not arguing for a particular idea right now, we will need input from board members and staff.
 - Sue: You are helping narrow possible topics by using Council priorities and six-month calendar.
 - Diane: You are looking for actionable items and that makes sense.
 - Sam: We want to have traction. This could be a crucial forum for certain topics at the Council level.
- Sue: I know you said you had some asks. Is the board ready to give an opinion on this proposal or do you need time to talk about it?
 - Diane: We're missing three board members tonight, which is unusual, and it's hard to make decisions on their behalf. Do the board members have interest in this type of project?
 - Curt: I worry about the details but I think the goal is spot on.
 - Kristin: I agree.
 - Sue: The proposal does seem to be a one-year experiment and not a long-term commitment. On a procedural level, you would need to create a process for items not decided on consensus—would they still get moved forward? It does seem like more discussion is better than not.

- Diane: I was thinking that, too. Because we are looking at issues from our particular lenses, our recommendations may come in opposite. Even with better understanding, we may not agree.
- Sue: What is a good next step?
 - Ted: We'd like to know if this board is interested and, if so, who the representative on the steering committee will be.
 - Sue: Would it work to put on our February agenda and get back to you after that?
 - Ted: We'd like to get everyone together in February, but you meet early enough in the month it should be fine.
 - Diane: I would like to re-visit next month to include those members not here.

AGENDA ITEM 2: Board Business—Annual Report, 2018 Work Plan, Board Officer

Nominations: Sue Beck-Ferkiss—Social Sustainability

Annual Report

The annual report is put together based on agendas, memos and overall review of the year. It is required to provide an annual report to the Clerk's office. This version is a draft, with the final due by the end of February.

Comments/Q&A

- Sue: Is anything missing?
 - Diane: The only thing that we just recently did is the adjustment of the competitive process. I'm not sure about putting it for 2017 since we haven't implemented the changes yet.
 - Sue: I think we could do either.
 - Curt: I would say hold off including it until the 2018 annual report.
 - Kristin: Since we have until the end of February, it may be worth waiting until other board members are here.
 - Diane: I'll put it in the packet for people to send any changes and we can vote on edits next meeting.

Work Plan

The 2018 work plan has not been created, but the 2017 work plan is included to help determine what we want to do in 2018.

Comments/Q&A

- Diane: Looking at the 2017 work plan, the bullet "monitor remedies to state-level construction defects litigation" feels like it's aged out. Is it still an issue we need to be looking at?
 - Curt: Where are we with that issue?
 - Sue: That problem has a lot of different aspects to it. Part of the problem was dealt with at legislature and Supreme Court. Those together are giving some relief, and we're seeing some condos being built here. Even in affordable ranges, people are bringing concepts. On a practical level, that's been eased. At the end of the day, it becomes an insurance issue.

- Curt: Unless insurance companies lower their rates, people aren't building because they can't afford the insurance rates.
 - Diane: I feel like it doesn't need to be part of the work plan. If it comes up again, it doesn't mean we can't talk about it. It just doesn't need to be on the work plan.
- Sue: I think we had a lot of energy around the education idea and that hasn't seen as much follow through. I do think Eloise still has interest in this, and it is one of the board's charges from Council.
- Kristin: I think we need to add plugging into City Plan.
 - Sue: I believe they'll ask a member of this board to be on the housing work group. Clay Frickey will be leading it and I'll be participating. They're trying to figure out how to get the right people in the room without having too many people.
 - Curt: I was going to ask about City Plan and if this board would have a chance to be involved. I would jump on the opportunity to be part of that subcommittee.
 - Diane: So there's plenty of opportunities to input in lots of different ways?
 - Sue: Yes, and it's a huge opportunity.
 - Kristin: We might be spending a lot of time on it this year.
 - Sue: I think we should.
- Diane: We might want to change the language around "review proposed policy, regulations, and other issues and provide input to the City Council on the impact of these issues on housing affordability, including recalibration of City fees to encourage development of smaller units and ADUs." It's more than fees. We're also looking at lots of other issues.
 - Sue: I don't know if we should make it broader or more specific.
 - Kristin: Or separate it into several.
 - Curt: Instead of just smaller units and ADUs, I might be inclined to say market rate affordable housing. But I don't want to make it longer.
 - Sue: "To encourage development of affordable market rate and subsidized housing."
 - Curt: Yes. Because zoning density affects both of those.
 - Sue: At the meeting today, I brought up that the last City Plan talked about ADUs and we haven't done much about it, and they acknowledge it. I think the Internal Housing Task Force is looking at ways to actually promote their use.
- Kristin: There are good policies already in the City Plan that have lacked followed through.
 - Sue: I agree, and this is an excellent opportunity to review the current City Plan to provide input on what was included before but not taken far enough.
 - Kristin: This sounds like the job of the Housing Task Force, but we could do it, too.
 - Sue: Or we could ask them to report to us regularly. Even though several of us might be on the committee.
 - Diane: Even with a couple of us on the committee, it doesn't mean we share the information in an intentional way and spend time on it.
 - Sue: It does sound like housing is going to be a central theme in the City Plan because it's such a pressing issue.
 - Kristin: The reality in the community is that affordable housing is important, but neighborhood preservation is winning.
 - Sue: I think we're really struggling through the transformation into a city. More research shows younger people like the idea of Smart Urbanism but, when it comes time to buy, they want the typical single-family suburban property.
 - Kristin: It would be interesting to survey our community specifically about this because of the school district. People move out of urban areas into suburban areas to

get into good school districts, and that's not how it is here. People can live downtown in a condo and send their kids to a great school. I'm curious if that research is really true here.

- Curt: Millennials will pick a neighborhood over a house, but the choice is not often there. You don't have those walkable mixed communities being built.
- Sue: And we have a total lack of inventory, which also impacts buyers' ability to choose. I'm fascinated by Prospect New Town neighborhood in Longmont, built as a de facto affordable community. And it has become so popular that it's no longer in the affordable range.
- Kristin: That is true of almost every new development like this. It's the biggest criticism of New Urbanism.
- Sue: We need to add restrictions to the New Urbanism concept to provide real affordable opportunities within those communities.
- Kristin: And true diversity of housing type. Not just single-family homes. That's what's missing.
- Sue: What should we do with the work plan?
 - Kristin: I'd like to look through it and make comments and send out edits.
 - Diane: Kristin, can you edit first and start the email chain?
 - Kristin: Yes.
 - Diane: Where does the final work plan go?
 - Sue: We file it with the City Clerk's office and they put it online.
 - Diane: We should also send our new plan to our Council liaison.
 - Sue: The work plan or annual report?
 - Diane: Both.

Board Officer Nominations

Both Diane and Curt have offered to continue in their positions unless anyone else would like to be considered.

Kristin moved to nominate existing chair and vice chair to continue into 2018.
Catherine seconded. Motion passed unanimously, 4-0-0.

AGENDA ITEM 3: Business

Council Comments

- Diane: Council is having discussion on Land Bank in February. What do we need on our February agenda about that?
 - Sue: I'll bring back final staff recommendations and the board can decide if you want to agree, disagree, or make specific comments.
 - Diane: And it will just be verbal for you to share with Council?
 - Sue: We could do it in the minutes, you could do a memo. Either way.
- Kristin: Is there a recommendation going to Council for the Affordable Housing Capital Fund?
 - Sue: We're going to work session on January 23 to discuss the fund with them and get direction. We got direction from Council Finance Committee (CFC), and we want

to make sure Council is in agreement. CFC said to focus on fee waivers, Land Bank and flexible subsidy. Coming from the assumption that all we have to work with is \$4 million, but if we could find more money it's always possible to add to the fund. With the flexible subsidy, we talked about how to make this available early in the process and how to make it flexible. The more we talk about it, the more people want to use the money wisely to do things that are needed. It's not just another subsidy. We're looking to get feedback on something we're borrowing from the URA—have a third party evaluate if the funding is needed for the project and how much. Comparing what project looks like with and without the money.

- Diane: On a per project basis?
- Sue: Yes.
- Kristin: There are two philosophies on funding sources. The first is a first-in money and the other is gap-filling. This is a gap-filling mentality. From a development perspective, it's a frustrating process. Much more helpful to have first-in money. The original goal with the flexible subsidy is asking if project meets particular parameters. If so, then you're eligible to make this request. That's a big shift. The more commitment you have up front, the more competitive you are for tax credits.
- Sue: At Housing Catalyst board meeting, they want the fund for their next permanent supportive housing project. Our process may be too slow for them.
- Diane: I also noticed in City Council agenda, February 13 work session has City Plan update. And "U Plus 2" isn't until May.

Review 2017 Work Plan—discussed during Agenda Item 2

Open Board Discussion—none

Liaison Reports—not discussed

AGENDA ITEM 4: Fee Work Group Discussion

Because of staff turnover, the group was put on hold at the end of 2017 with hopes to pick up this month. Email went out that they are not ready to reconvene, hoping to start at beginning of Q2.

- Diane: I did meet with Habitat a couple weeks ago to discuss the Harmony Cottages project and the fees they'll be paying.
 - Sue: Harmony Cottages isn't even eligible for waivers. They don't reach the lowest income bracket.
 - Diane: They reach into 35% AMI for homeownership.
 - Sue: I always think of them at 50% at up.
 - Diane: They are also picking up some of the mortgages on some of those.
 - Sue: Habitat is a lender and they're also in a philosophical quandary because a lot of their money is tied up in houses, and they're not able to use it over again. Really looking at how they stop being in that role in order to continue being a foothold into homeownership. Habitat is hoping to change the model from forever home to first home.
 - Diane: I think they're evolving with the times. My goal is to show that when we say "we waive fees," it does not include any of the 48 homes Habitat is about to build for homeownership, and to show what that looks like. I want to put together a few key

slides to show how that really looks and what that means. In reality, we barely do fee waivers. The implication is different than the reality.

- Sue: In some places, fee waivers can be very effective. In Fort Collins, because we have to backfill, they just aren't as good a tool.
- Diane: That brings up the question why we have to backfill.
- Sue: We backfill for TABOR. It's a tough question but a good one.
- Diane: By raising fees without providing adequate waivers for affordable housing developers, we continue to teach that for market rate development and affordable housing is the same thing. And it's really not. Applying the same rules to both types of housing doesn't make sense.

AGENDA ITEM 5: Future AHB Meetings Agenda

CDBG Competitive Process dates: March 7 is the application review meeting, March 20 is agency presentations and April 5 CDBG will join AHB for the ranking meeting.

- Diane: I would vote for not holding our March meeting since we have two Competitive Process meetings that month.
- Sue: We could move waiver request up to February and City Plan conversation to May.
- Diane: If anything comes up for March, could we have quick sidebar at the March 7 meeting?
- Sue: Yes, as long as it's posted as a public meeting. We could also have a special meeting over the phone to handle the waiver request if we're not able to do it in February. That would be quick and easy.
- Curt: We could also talk about the waiver request at the March 7 meeting.
- Diane: Unless absolutely necessary, we agree to cancel the March 1 meeting?
- Sue: Yes, and we will need to cancel it officially.

Meeting Adjourned: 6:08

Next Meeting: February 1