

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

Date: Thursday, May 3, 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
Jeffrey Johnson
Kristin Fritz
Rachel Auldridge

Board Members Absent

Jen Bray

Staff Present

Sue Beck-Ferkiss, Social Policy & Housing Project Manager
Ryan Mounce, Planner, City of Fort Collins
Clay Frickey, Planner, City of Fort Collins
Brittany Depew, Administrative Assistant/Board Support

Guests

Julie Brewen, Housing Catalyst

Call to order: 4:03

Agenda Review: No changes

Public Comment: None

Review and Approval of Minutes

Jeff moved to approve April minutes. Curt seconded. Motion passed, 4-0-2. Kristin recused and Rachel abstained.
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AGENDA ITEM 1: Goodbye & Hello – Eloise’s Resignation

Eloise Emery has resigned from the board due to health issues and inability to attend meetings.
Rachel Auldridge was the next in line after interviews and has accepted a position on the board.

AGENDA ITEM 2: Presentations & Discussions

A. City Plan Update – Ryan Mounce and Clay Frickey

Ryan Mounce and Clay Frickey are planners with the City, and Ryan is spearheading the City Plan efforts. From original intent to overhaul City Plan, intention has shifted to update/refine current content. Looking to have regional focus and scenario planning. Currently, existing conditions assessment is completed and now taking stock of where we are as a community (including economy, jobs, etc.). Will include a dedicated housing section. Moving toward visioning phase right now. Current structure: overall vision statement, vision themes and seven key outcome areas. Some language around housing and policy support for things like accessory dwelling units (ADUs) – there is supportive language but they are very difficult to build due to code restrictions. Visioning phase is not done, asking people: What do you like, what would you keep/change/add/prioritize? This summer we are diving into scenarios, which is not something we have done before with City Plan updates.

Comments/Q&A:

- Diane: Why haven't we worked on changing ADUs code?
 - Ryan: There was a lot of push back from Council, and some from neighborhoods as well. Council directed us to leave it out of specific neighborhood plan and put in larger city code conversation. So now we are wrapping it into the overall City Plan discussion.
 - Kristin: City Plan needs to encourage it, neighborhoods need to support it, and city code has to allow it. It requires all three.
 - Clay: Old Town neighborhood's plan said "explore" ADUs. No specific recommendations but that provides freedom to explore.
 - Ryan: Council adopted the current version of Old Town neighborhood's plan but added the caveat that more research needs to be done first into feasibility of ADUs.
 - Clay: I think attitudes have shifted in the last couple years, because it has gotten so challenging to find affordable housing in the community.
 - Jeff: Does lot size include floor area ratios (FARs)?
 - Ryan: That's typically only a requirement in Old Town neighborhoods. Others might have different restrictions.
 - Jeff: Where I've looked at ADUs for specific properties, the FAR stuff was the biggest challenge. But there are so many impediments.
 - Ryan: It's clear that in Old Town neighborhoods it was a deliberate choice. If there's strong policy direction, there would need to be fundamental changes to neighborhood plans and development standards.
 - Jeff: There's a real disconnect between the policy and the ability to implement the policy.
 - Kristin: And that's not unique to ADUs, that applies to affordable housing development in general.
- Curt: Is it a possibility that City Plan would change density in different residential zones?
 - Ryan: City Plan would set the direction and it would have to be followed up with changes to the Land Use Code.
 - Kristin: Is there a plan to update the Land Use Code?
 - Ryan: There is a BFO offer to make big changes to the Land Use Code. If that offer was approved, it could put changes into place that are outlined in City Plan.

- Diane: The neighborhoods where ADUs are allowed are a fraction of our community. I'd like to see them look at other zones that don't currently allow for ADUs.
 - Kristin: The policy in City Plan needs to be really specific. In some communities, city plans and codes must be consistent, and that should happen here too.
 - Diane: The way I'm interpreting, City Plan is a strategy but doesn't have any teeth until it's put into code. And if we're looking at something like ADUs, we have to look at other things – the cost, the impact, etc.
- Diane: I think the other big piece we want to have heard is about density. We've struggled with it a lot on this board, particularly for folks who are developing affordable housing. The options to do more units/building more buildings/acre, additional height, those are things we have talked about a lot.
 - Ryan: Is that for specifically affordable housing projects or overall?
 - Diane: For sure affordable housing, but overall would be great.
 - Curt: I would say overall because that opens up other options.
 - Jeff: Having uniform rules that don't create stigma on one class of housing would be beneficial in helping remove potential prejudice.
- Kristin: It's such a struggle when everyone is concerned about affordable housing but no one wants it in their backyard.
 - Ryan: You do have to make some hard choices. We're setting up City Plan to know we can't get everything we want.
- Jeff: A lot of new subdivisions have restrictive covenants, so it's not enough to change the zone because private covenants can exist and be restrictive.
 - Curt: Do covenants always trump Land Use Code?
 - Jeff: Yes, it's a private agreement.
 - Sue: Also, some commercial areas have no-residential covenants.
 - Ryan: The city in the past had some policy about xeriscaping and private covenants could not restrict it, so there is that precedent.
 - Curt: Even without an HOA, can you have private covenants that people aren't aware of.
 - Jeff: Yes, absolutely. You could have a covenant and not have an actual homeowners' association.
- Ryan: Has this board looked into how ADUs have been handled from an HOA perspective?
 - Jeff: I haven't seen that anywhere.
 - Clay: And some places with a lot of ADUs were developed long before HOAs existed.
- Sue: What does it mean when we say the City Plan update will be housing centric?
 - Ryan: As we're trying to plot the course, we know one of the scenarios will be business as usual for comparison, we won't show additional ADUs because we haven't done it.
 - Diane: What is the goal with scenarios?
 - Ryan: To see if we stay on course, where we'll be in 20 years, and where we would end up if the scenario changes.
 - Kristin: What are the indicators?
 - Ryan: We haven't decided those.

- Sue: I'm struggling with the fact that we're mostly built out, most of our inventory exists. We mostly have 4-5 units/acre even where the density is higher.
- Diane: Are we looking at difference in these models for renters and owners?
 - Ryan: The model itself can't quite make the distinction if it's for rental or homeownership.
 - Diane: Then the landlord of that particular unit can decide their own levels of profits off that development. The impact is different on a homeowner vs. a renter and the benefits change. It's an important factor we don't look at often enough.
 - Curt: Having different standards for owner-occupied?
 - Diane: When we look at affordability, that impacts people differently if they own or rent. The impact can be greater over time for renters.
- Jeff: Historic preservation piece applies to anything over 50 years old. Huge practical implementation challenges in older communities. The manner in which historic preservation is used is often NIMBYism – some of the appeals over the last few years are in areas where multifamily housing is greatly needed. Historic preservation is a huge impediment. It can be a significant issue. Do we value new urbanism and density or do we value maintaining our current housing stock?
 - Ryan: Right now with City Plan we are being aspirational, but it does get more difficult when we start getting into the details of potential development changes.
 - Jeff: I'm not saying slow down historic preservation, but when it gets down to implementation stage, that's what counts the most. The disconnects are apparent when you actually try to develop something.
 - Sue: I know in our work we're just trying to get people to explain what they mean when they talk about affordable housing and what that means to them. We have so much data that people care and prioritize it, but when we propose a development there's pushback.
 - Ryan: We haven't looked at comprehensive land use changes for 20 years, so this is our opportunity to propose big changes. One of the goals for City Plan – because right now it's promising everything to everyone – is to set specific direction.
- Clay: Last night at the Community Issues Forum, we saw a lot of people agreeing with conflicting ideas. A lot of people really like the idea of affordable housing but don't think through how that looks in practice. A lot of what City Plan will be is real conversations about what the trade-offs will be.
 - Kristin: I think it's good to be setting the stage for this conversation. If this was easy to solve, it would be. To be clear: We have these aspirations and the solutions are going to be painful. No one will get everything they want.
 - Ryan: We want it to be aspirational but also pragmatic. There are some communities that are clear about this in their plans, right in the vision statement.
- Jeff: Is CSU a part of this conversation?
 - Ryan: They are working with us and are on some of the working groups. They're working on doing an interim update as well. As is Larimer County, so we're trying to work on city-county issues.
- Sue: Could we have you come back to this board at some point?

- Ryan: Throughout May we are working on how the scenarios will look. We should have a lot more information next month.
- Jeff: If we were going to do homework for June, what would that be?
- Ryan: We're already struggling with metrics. What's the story we should be measuring or telling about a scenario?
- Curt: It's important to be realistic about population growth. It is happening whether people want it to or not, and we need to be real about it.
- Diane: Yes, and doing nothing about it is clearly not going to make our affordability issue better.
- Ryan: Work session with council on May 22 and that may change some of our direction/visioning.

B. 2018 Private Activity Bond Recommendation – Sue Beck-Ferkiss

Every year we have an allocation of Private Activity Bonds (PAB) from the federal government and it's for bond capacity, the ability to borrow money. For the last several years, we have allocated the capacity on first come first served basis, so Council directed staff to create a new process with an application with a committee to review them. This year, we got two applications. DMA plaza requested \$8 million to request their 4% tax credits, and Housing Catalyst requested \$8.5 million not tied to a specific project, but a request to accumulate capacity for future projects. Total bond capacity is \$8.5 million. Committee recommends \$8 million goes to DMA and the remaining goes to Housing Catalyst.

Comments/Q&A:

- Jeff: Is there a shelf life on the allocation?
 - Sue: They need to be carried forward if not used, and they can be carried forward for 3 years.
- Sue: The question is do you wish to comment on the staff recommendation that \$8 million go to DMA plaza and the remaining \$500k go to HC?
 - Curt: Certainly, the Housing Authority would use these funds in the next 3 years.
 - Jeff: That all sounds great to me.
 - Diane: Is DMA plaza likely to use the full \$8 million in bond capacity?
 - Sue: Yes.
 - Jeff: So there's a committee that makes a recommendation to City Council and this board's approval isn't required?
 - Sue: No, but as a committee we decided we wanted to bring it before AHB.
 - Diane: I'm happy to support that recommendation.

Jeff motioned to support the staff recommendation to provide \$8 million in Private Activity Bonds to DMA and the remaining \$533,248 to Housing Catalyst.
Motion passed, 5-0-1. Kristin recused.

C. Housing Catalyst’s request for Affordable Housing Capital Fund funding – Sue Beck-Ferkiss

The Competitive Process amounts awarded to housing applicants changed slightly as more funding was received from HUD than anticipated. Housing Catalyst requested \$2 million for the Mason Place permanent supportive housing development and received \$1,123,388 through the Competitive Process. They are now asking for the remaining \$876,662 from the Affordable Housing Capital Fund. Housing Catalyst is applying for 9% tax credits on June 1, and the strongest application would be fully funded. Their gap in funding is because their CDBG request was not funded in full. The Affordable Housing Capital Fund is voter approved, gets an increasing amount each year for a total of \$4 million. Mason Place scored very well on the scorecard and that is used to help give guidance to decision-makers.

Comments/Q&A:

- Catherine: How much is in the fund?
 - Sue: We have about \$500k in the account now, and the next two years we will get \$400k each year. We would not give them funds now, we are committing to giving them the funds when needed, and as available in the Affordable Housing Capital Fund.
- Diane: What’s the construction timeline? We’re looking at 2019?
 - Sue: Yes, but they have to get 2018 tax credits.
 - Diane: The 9%?
 - Sue: Yes, the 9% tax credits.
- Catherine: So there wouldn’t be any funds left for other projects?
 - Sue: We would withhold some for fee waivers.
- Diane: The request is for \$876,662?
 - Sue: Yes, and it might take 2 or 3 years to fulfill the commitment.

Jeff motioned to support the staff recommendation to provide funding from the Affordable Housing Capital Fund to the Mason Place development. Curt seconded.
Motion passed 5-0-1. Kristin recused.

AGENDA ITEM 3: Business

- A. Council Comments**—not discussed
- B. Review 2017 Work Plan**—not discussed
- C. Open Board Discussion**—not discussed
- D. Liaison Reports**—not discussed

AGENDA ITEM 4: Board Member Reports

A. Fee Work Group & City Plan Housing Group Discussion—Diane Cohn

Fee Work group met for several weeks last year at Council's request. Includes Fort Collins Board of Realtors, Homebuilders Association, Chamber of Commerce, and various board members to talk about capital expansion fees. That process has wrapped up and now we're getting into the discussion about the economic impact. I have pushed at every meeting to talk about fees for affordable housing specifically, and finally have the chance at the end of May. Creating a presentation using two examples: Oakridge Crossing as an example of affordable rental properties and Habitat as an example of a homeownership program. Also want to show data from Loveland about how they do their fee waivers to give comparison. The conversation is really around growth, new development and fees paying for what they pay for, but also, I want to show that these are people moving out of need, and that is a different thing than growth. Have to have Fort Collins address to apply for Habitat house.

AGENDA ITEM 5: Other Business

A. Future AHB Meeting Agendas

June—City planners will return for follow-up conversation

B. City Council Six-Month Planning Calendar

Meeting Adjourned: 6:07

Next Meeting: June 7