MINUTES

CITY OF FORT COLLINS • BOARDS AND COMMISSIONS

AFFORDABLE HOUSING BOARD

REGULAR MEETING

October 11, 2018, 4:00-6:00pm
Housing Catalyst, 1715 W Mountain Ave

1. CALL TO ORDER

4:10

2. ROLL CALL

- Board Members Present: Diane Cohn, Curt Lyons, Jen Bray, Kristin Fritz, Rachel Auldridge, Jeffrey Johnson, Catherine Costlow
- Board Members Absent: None
- Staff Members Present: Sue Beck-Ferkiss, Jennifer Poznanovic, Ryan Mounce, Brittany Depew
- Guests: Mandy Morgan, Tina Hopkins-Duke

3. AGENDA REVIEW

- Added: Review of handout from Russ Hovland with building code updates

4. CITIZEN PARTICIPATION

- Mandy Morgan: Attending CSU for degree in social work, sitting in for information for research purposes

5. APPROVAL OF MINUTES

Jen moved to approve minutes from August 2 minutes (as amended) and September 6. Kristin seconded. Approved 4-0-1. Jeff abstained due to absence in August.

6. UNFINISHED BUSINESS

- None

7. NEW BUSINESS

A. Capital Expansion Fees, Transportation—Jennifer Poznanovic, Finance Department

Impact fee background, scope and timeline:

- Impact fees are fees on new development including capital expansion fees (CEFs) (fire, police, general government), transportation capital expansion fees (TCEFs) (roads, infrastructure), utility plant investment fees (water, waste water)

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- Community parks example: acres of parks per capita is a measure of level of service; the goal is to maintain acres of parks per capita—as growth occurs, parks must be added or park service levels decline
- Fee working group formed because different fees coming forward to Council, want to recommend a defined cadence
- Timeline: fee coordination started 2016, 17-19 updates and recommendations, by 2021 all fees coming in defined cadence of every two or four years. Utilities every 2 years by internal review, 4-year fees by outside consultant
- Drivers for fee changes: cost of construction, land, and water have gone up, transportation plan and calculation shift, change in electric capacity methodology, new raw water fee model
- 2017 recap: Council directed stepped implementation for CEF & TCEF, Council recommended formation of citizen, staff and industry working group
- Key findings: methodologies sound, third-party audit revealed how the City spends and collects impact fees, identify new revenue sources for park refresh and maintenance
- Recommendations: better communication/outreach, repayment of $130k identified, progressive fees if/where possible, explore additional revenue sources for parks, explore strong supports for affordable housing fee waivers
- Proposed fee updates: 27-28% increases (with inflation) for CEFs and TCEFs, would go into effect 1/1/19
- Wet utility PIFs: 7-11% increases
- Next steps: Council work session November 13, ordinance readings December 4 and 18; 2019—utility fees, development fees and step III for CEFs

Comments/Q&A:

- Kristin: What is the level of service determinant?
    - Jennifer: For parks, there's a plan that states the requirements, within 4 miles to community park and 1 mile to neighborhood park
- Diane: Parks is the only thing capital expansion fees totally pays for—the fee group spent a lot of time discussing this
    - Jennifer: There are some good recommendations that came out
    - Diane: One suggestion was to look at different streams of funding for Parks so it's not just relying on CEFs
    - Kristin: I'd be curious about number of acres of parks per capita. What has determined that this is the appropriate level of service?
    - Diane: It's not just acres, it's also access.
- Sue: Do you have theories why surrounding city's fees are so different?

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- Jennifer: It has to do with different costs for things like water, etc.
- Curt: How long has Fort Collins had capital expansion fees?
  - Jennifer: Since 1996.
  - Curt: Ryan [Mounce], do you know how much of Fort Collins was built out by then?
  - Ryan: Maybe half what we were expecting for future build out.
- Jen: When developers are working on a project, aren't they required to include parks in those plans?
  - Ryan: For certain multi-family projects, they are required to have community gathering space. No specific requirement to include a neighborhood park.
  - Jen: How many community parks are left to build out?
  - Jennifer: I think it's 2 – one north, one south.
  - Catherine: And the fee can't be used for maintenance?
  - Jennifer: No, just for building parks.
  - Sue: But a maintenance fee could be passed?
  - Jennifer: That's possible.
- Sue: Does the board have any comments about how this might affect affordable housing?
  - Jen: Which slide shows it's not going to be passed to the buyers?
  - Jennifer: It's the developer's decision what they charge.
  - Diane: Our concern is that when building affordable housing, it is part of our City Plan, and any increase in impact fees can impact affordable housing developers. We want to support looking into how we address increased fee waivers; I think we really want to see that happen. The way funding stacks happen for affordable housing is very different than other developers.
- Kristin: The slide that compares our fees to other communities is so interesting. Many developers call and say our fees in Fort Collins are so high that they don't know how to develop here. Why is that? These slides show that our fees are not high compared to other communities.
  - Sue: I hear that our standards are high.
  - Kristin: I hear that, too, but also specifically about the fees. I would be curious how these fees translate to commercial and multi-family.
  - Sue: Sometimes with multi-family, some fees are commercial and some are residential.
  - Diane: In my presentation, I used Habitat for Humanity as an example. They get virtually no fee waivers because they're doing 35%-65% AMI. That's an example where we don't have any relief for an organization that is doing homeownership in this way.

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- Jen: How are metro districts factoring into this?
    - Jennifer: Metro districts are still going to have to pay into CEFs.
- Jennifer: Some other boards are including memos or letters of support, and if you're interested in that, please do.
    - Diane: I would really encourage that.
- Jeff: These funds just go into the general budget?
    - Jennifer: They are dedicated specifically to maintain the same level of service. They can only be used for that purpose, not for anything else.
    - Jeff: Are people looking at expense side to see if expenses can be cut?
    - Jen: That's what I'm wondering, too. If Twin Silos is our goal for all future parks, of course that's going to raise fees.
    - Diane: The expense of Twin Silos park is not the things you see, it's the land, the infrastructure.
    - Catherine: Is there any discussion that we don't need more parks?
    - Jennifer: That would be decreasing the level of service based on our growth.
- Sue: Do all these jurisdictions call these fees the same thing?
    - Jennifer: I'm not positive, but we've done quite a bit of research. We really tried to get make sure we were looking at the same fees to compare equally.
- Rachel: Does this include redevelopment of parks?
    - Jennifer: That would be something different.
- Jennifer: Is this group supportive of the process? I know there are some tricky components, but what about the process itself?
    - Kristin: I think the process is an improvement

B. Continued City Plan Update discussion—Ryan Mounce, Planning Department

- Community values – livability, community, sustainability –are the things people want to focus on.
- Priority #1 is housing: more choices beyond houses and apartments, work toward increasing attainable housing options
- Another priority is transportation: enhanced networks, roadway congestion management, regional transit improvements
- In all three scenarios, estimated population is the same in 2040
- Most of the community is already developed; the biggest opportunity to make potential changes is in commercial corridors or undeveloped land
- Land use, transportation and funding all go hand-in-hand; Fort Collins is only part of the overall housing picture
- Scenario 1: Baseline—keep things mostly as they are

  - Focus on Northeast/Montava area, downtown/CSU higher density, redevelop Mason corridor.
  - Transportation: continue as we have been, prepare for electric vehicles, roadway congestion management, limited enhancement of current services.
  - Benefits and tradeoffs: does not require significant funding sources, looks and feels similar, slower to make progress, does not address transportation improvements.
- Scenario 2: Targeted Changes
  - Low and medium density development; more mixed use; more flexibility for ADUs, distinction between new development and existing; improve connections between residential and amenities; duplexes in single family neighborhoods
  - Transportation: expansion of bus rapid transit (BRT), higher frequency service, less route coverage
  - Benefits and tradeoffs: greater impact meeting community priorities, meets future housing demand, aligns with desire for improved transit, new dedicated funding sources required, more change in community appearance, could mean larger population beyond 2040
- Scenario 3: Broad Changes
  - Requires greater density, infill and redevelopment along Harmony and Mulberry; allow ADUs and "plexes" in neighborhoods; larger buildings and smaller parking lots in commercial corridors
  - Transportation: greater route coverage, expanded BRT and regional transit
  - Benefits and tradeoffs: similar to scenario 2 but magnified

Comments/Q&A:

- Kristin: Scenario 1 doesn't mean no growth, it means no change in policy?
  - Ryan: Largely, yes. Growth is inevitable.
- Diane: Scenario 2 doesn't feel that different to me. It seems like changes we're already seeing, like larger buildings.
  - Kristin: My thought when I first saw this is that is supposed to be just a small step above scenario 1; it's not drastic, it's subtle.
- Sue: Jobs in scenario 2 are lower than 1 or 3, is that correct?
  - Ryan: In 3, there are some changes going on with commercial zones, more retail, more mixed use, it's more attractive and more opportunity for employment.
- Diane: This is some really great work.
  - Kristin: I am loving this data, it's so interesting.
- Jen: I appreciate that you emphasized this is how it could be, not how it will be. There's flexibility here. Allowing ADUs doesn't mean everyone will have one.

  - o Kristin: It's kind of like playing the lottery: if you don't have the plans in place for this development to happen, it's not going to happen. If you do have plans in place, it might happen but not necessarily.
  - o Sue: We thought we would be built out by now, but we had a recession and it didn't happen, so we don't really know what the next 10 years will bring.
- Sue: What I'm hearing from the community is that people are feeling pain points in different places and different ways.
  - o Ryan: These survey questions are helping us identify where those points are – little support for big changes to neighborhoods, but much more support for commercial corridors seeing big changes
- Sue: What can we give you today and how can we stay engaged?
  - o Ryan: I would love to come back. Council work session is November 13. Tonight, general feedback on your reactions would be helpful. Hoping to have draft plan ready in February. Coming before that would be helpful to continue getting feedback as we're drafting our plan.
- Diane: Is the language for the three scenarios set and out there?
  - o Ryan: Yes, and the scenarios are out there as a conversation tool, not because we're going to pick an exact scenario.
  - o Kristin: I've noticed a big shift from a focus on climate to a focus on housing and transportation.

C. Affordable Housing Incentives Work Session—Sue Beck-Ferkiss, Social Sustainability Department

This work session is to bring Council up-to-date on the City's Internal Housing Task Force. The City only has so many levers and drivers, but we do have some. While we can't control the real estate market, we can influence it. Current conditions show that median home price has dramatically increased since 2008 while incomes have remained flat. This work is in alignment with City Council's strategic goals. Current Affordable Housing Strategic Plan has a goal of 188 units per year to move us from 5% affordable to 6% affordable. Aim to increase to about 5,100 by 2024. To date, we're at 3,443 and have projects in the pipeline that will get us partway there, but there will be a gap without looking at our levers.

Top recommendations in three areas: increase revenue, decrease costs, maximize partnerships.

- Increase revenue: impact fee study.
- To decrease costs, a new suggestion is for flexible development standards – it would be a new program, partnership between Planning and Social Sustainability department.

- For partnerships, we recommend looking at community land trusts to keep land costs and inflation down. Have done some early public outreach.

Next steps: implement Council direction, create task force 2.0, continue public outreach, plan/do/check/act.

Comments/Q&A:

- Kristin: Is the ask of Council about moving forward with these three recommendations?
  - Sue: We're taking a temperature. Should we keep working on this or are we going down the wrong path?
- Jen: Does the community land trust conversation connect with our conversation about churches and their land?
  - Sue: Not necessarily, but it's possible. With community land trust, the theory is perpetual affordability. It takes a lot of administrative work and we really don't have the structure to do a lot of that in our department.

8. BOARD MEMBER REPORTS

None

9. OTHER BUSINESS

None

10. ADJOURNMENT

6:13