

# MINUTES

CITY OF FORT COLLINS • BOARDS AND COMMISSIONS



## AFFORDABLE HOUSING BOARD

### REGULAR MEETING

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November 1, 2018, 4:00-6:00pm  
Oakridge Crossing, 4768 McMurry Ave.

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#### 1. CALL TO ORDER

4:11

#### 2. ROLL CALL

- Board Members Present: Curt Lyons, Jen Bray, Rachel Aldridge, Catherine Costlow, Jeffrey Johnson
- Board Members Absent: Kristin Fritz, Diane Cohn
- Staff Members Present: Sue Beck-Ferkiss, Russ Hovland, Brittany Depew
- Guests: Mary Cea

#### 3. AGENDA REVIEW

- No changes

#### 4. CITIZEN PARTICIPATION

- None

#### 5. APPROVAL OF MINUTES

Jen moved to approve October 11 minutes. Catherine seconded. Approved 4-0-0.

#### 6. UNFINISHED BUSINESS

- None

#### 7. NEW BUSINESS

#### A. Oakridge Crossing Tour—Arthur McDermott and Mike Lengen, Regina Johnson, Brooke

Still have seven 50% units available; other AMI levels have a waiting list of about 1.5 years. About 10 people on the waiting list for 30-40% AMI. After discussion, the board took a tour of Oakridge Crossing.

#### Comments/Q&A:

- Arthur: Senior communities lease up very slowly. Sometimes family members need to get involved in helping seniors move. Oakridge provides moving support as needed. We have 7 senior housing developments; all independent living, no assisted-care

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facilities. Newest project in Denver leased 100 units in 3 days and had more than 200 families still on the waitlist.

- Catherine: How long have you been leasing here?
  - Arthur: We started leasing here in June. The project went very smoothly, no significant delays.
- Mike: We have about 22 properties up and down the Front Range, about 3000 units. Of that, approximately 500 units are senior. We have a good feel for the senior community. Starting to see trends of seniors moving out of family living situations because there are more affordable options.
  - Curt: Are all your projects affordable housing?
  - Mike: They are. We don't currently have any market rate units.
- Sue: Did housing costs go up during the construction period?
  - Arthur: Yes, that's why we were happy to be locked into a contract. Brinkman had also already bought lumber, so we didn't see any price increases.
  - Mike: We got in at a pretty decent time. We had a fantastic experience with Brinkman.
  - Arthur: Our financial partner here is American Express. They purchased the tax credits and paid a healthy price for them. A lot of investors were lowering what they had agreed to pay for the tax credit pricing.
  - Sue: I'll add that American Express was a great partner, but when it was already under construction, they required Arthur to get a motion from City Council to show support of the project.
- Rachel: How many units are here?
  - Arthur: 110.
  - Mike: And 5,000 square feet of mixed-use retail. We're part of a business park here. The entire space is under contract to two users: An ophthalmologist, and a psychologist group.
  - Jen: Are you having to manage those business spaces?
  - Arthur: We organized this as a condominium that has only two unit – unit A is the residential and unit B is the commercial space. So we were able to sell "Unit B."
  - Jen: They won't be rented?
  - Mike: No, they will own it. And the condo association will manage the entire property and shared expenses like snow removal will be shared proportionately.
  - Sue: Do you have commercial spaces in any of your other buildings?
  - Mike: Just one other and it's not as well located.
  - Arthur: We expect to have them close on their properties in December.
- Curt: You said senior housing fills up slowly. Is that reticence on the part of seniors, or what drives that?

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- Arthur: The idea of change. That's why we sometimes get families involved. As people age it gets even more difficult to leave where they are, even though their current place may not be the best for them. Regina, what kind of push back do you get?
- Regina: The majority of our new residents are moving here to be closer to their children. As far as push back, I'm not getting any negativity from anyone calling or coming in. It's just a matter of timing—selling homes, qualifying.
- Sue: You only look at income, not assets?
  - Regina: We have to verify everything, including assets.
  - Jen: Do you look at assets as income?
  - Regina: We verify those but income is anything reoccurring monthly. Assets are verified but not considered income.
  - Arthur: We have to know what the asset is and verify its value and that they're not receiving income from it.

### **B. 2018 International Building Code Updates—Russ Hovland, Chief Building Official**

Going to council December 4 to propose adoption of updates to codes. Started review committee in June and met for three months. Builders, architects, developers, City staff, firefighters, etc. Suggested changes to code and then conducted outreach—take concerns back to committee to address.

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

- Curt: Can you give a quick overview of changes?
  - Russ: Changes between 2015-2018 code as written were very minimal. The fewest I've seen in 15 years. We can delete the local amendments because they are now included right in the code—able to delete about a third of the 200 pages of local amendments.
- Jeff: There was a perfect match between local and international code?
  - Russ: Yes. One example is radon: there were a couple things in our amendment that weren't in the code body.
  - Jeff: How did you get it so right?
  - Russ: We had a lot of really intelligent people, especially in the Utilities Department, who all got together about what they foresaw for the future. A lot was energy code based, radon, air quality. Brought this to us and we made those local amendments.
- Rachel: What if the code changes in the middle of a project?
  - Russ: You are vested at the time you apply for your permit.
- Sue: Are there new local amendments?

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- Russ: Yes, a couple new ones. For multifamily—the trash chute must have a paired recycling chute. Unless these are side-by-side, recyclables tend to get landfilled. That’s an approximate cost increase of \$1,500 per floor. Another amendment is in multifamily: 10% of parking spaces must provide an empty electrical conduit for installing EV charging equipment in the future. About \$300 per parking space.
- Sue: Could this be waved if there’s an affordable housing developer? For example, Oakridge got their parking space reduced after some studies on seniors who have vehicles. What if there’s a community that says we don’t foresee our population using it?
- Russ: Council would have to approve that. It’s problematic when we wave something for someone and then others want that as well. The one thing on this requirement is that the goal is to eventually reduce costs. In the next 10 years, we imagine EV prices going way down and these projects will already have the infrastructure in place.
- Jen: It’s more expensive to retrofit after construction?
- Russ: Yes, retrofitting is very expensive. We landed on 10% of parking spaces based on research: Aspen is doing 3%, Atlanta 20%, Boulder 10%.
- Russ: There’s a new emergency no-fee permit. For example, after a flood, very quick free permits are needed. Adding that to the administrative part of the code.
- Russ: For single family homes, change in requirement of window efficiency. Changing from .32 to .30 U value, slight increase in energy efficiency. Increase in cost per window by about 8%. \$200-\$300 total for whole house window replacement.
  - Jen: Is there much production of windows that don’t meet these values?
  - Russ: Yes, but there are tons of windows that do meet this requirement and better. They’re readily available.
- Sue: In your outreach, have people voiced concerns?
  - Russ: Yeah, a couple. Chamber of Commerce had a concern about people choosing to have an in-home daycare. By code and state law, allowed to have 5 kids, and when you have up to 5, that home does not change occupancy. Doesn’t change to commercial daycare, not a lot of regulations. State regulated and not locally regulated. Threw a requirement in the code that they have to fire sprinkler the house, and this will start to impact a lot of people. Went into that code section and struck out sprinkler requirement completely—is there any loss of safety here? Not really. Reviewed this with the fire department and decided it didn’t decrease safety for these homes to be without fire sprinklers.
  - Russ: The Water Board wanted lower flow on shower heads and a fix to the toilet requirement. The toilet flushing performance is called a map score –the higher, the better. If you raise the map score, fewer flushes leads to lower water consumption. Increased from 300 to 600 map score requirement.

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- Russ: We were considering removing the U value requirement for windows, and the Energy Board wanted to keep it.
  - Catherine: What happens if you don't have vinyl windows? Like in my old house from the 1800s.
  - Curt: This would be for new construction.
  - Catherine: What if I add an addition to an older house?
  - Russ: If someone is doing an addition in Old Town and they want to match the windows, they may not be able to get the U value, and they can come to the City for a variance.
- Sue: Would you welcome a recommendation from this board, or what would be helpful?
  - Russ: Just a general agreement/vote that you support me taking these to Council for adoption in December.
- Jen: Were any codes removed?
  - Russ: Yes, there are occasionally codes removed. When you replace a water heater, we used to require a combustion safety test to make sure it's safe. The problem is now that the homeowner wants to do their own water heater replacement and has to pay to get the tests done, what we found is that people stopped getting permits for water heaters. We analyzed whether or not the code was serving its purpose, and decided no. We still do an inspection, we just no longer require a combustion safety test.
- Curt: Doing the math on adding EV spaces to housing developments, it doesn't seem like enough to cause a big issue.
  - Russ: And I think we can get those costs down, that's the high-end, worst-case scenario price at \$300/space.
  - Curt: For individual homeowners, there was already a requirement for the conduit.
  - Russ: Yes, just the size of the conduit increased.

Jen moved to support the internal building code update amendments.  
Rachel seconded. Motion passed unanimously 5-0-0.

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

Tuesday night work session. Dean Klingner is co-lead for Internal Housing Task Force. Been meeting since February 2017. Intention is to ground the City organization in our stated and adopted affordable housing goals. Had many different departments represented on the task force. This was a conceptual part of the analysis—brainstorming any and all ideas. Had tracking templates from subcommittees and threw out a lot of potential ideas. Sorted through those and came up with their best recommendations. Want to wrap up this

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phase at the end of the year and convene a new task force to refine and implement. Council received top recommendations and all the worksheets.

Heard from Council: They get that we're not going to get our goals if we do nothing else. Also said they are supportive of incentives in general, and really wanted more quantifying than we were able to give them, said it would be easier to choose between options. Not sure how we're going to do that, it is very complex.

#### Comments/Q&A:

- Jen: What are other stretch goals if not affordable housing (for metro districts)?
  - Sue: Affordable housing, net zero, etc. To get the special taxing district, they have to give us something and we've asked for affordable housing. Montava is saying 5% affordable and 5% attainable. Affordable housing is 80% AMI and lower by code. Attainable is squishier, but we mostly talk about 80% up to 120%.
  - Jeff: Would that be a code adoption?
  - Sue: Not at this point. We reminded them that we only have a clear role in the affordable housing arena.
- Jeff: I appreciate when you say attainable is a squishy concept – the whole concept of City Plan tends to be really abstract and high level. An AMI of 120% is very specific, and if you want to drive meaningful policy, why not just throw out that figure during the process and take it on?
  - Sue: We can talk to the planners about that next month. For Tuesday night, we understand that's what they're hearing about, but our focus at this point is 80% and below. One of the recommendations we made to Council was to create more flexible standards in affordable housing. Things like off-site improvements, giving better density/height bonuses, change buffer allocations.
  - Curt: Would that still be on a case-by-case basis?
  - Sue: We think it would be like the PUD (planned unit development) process. Looking for that same concept but for affordable housing.
- Jeff: How sensitive is the density piece? It seems like an easy way to increase supply.
  - Sue: I met with the City Plan consultants today to talk about some issues, and density is rising to the top as something we have to sell to our community.
  - Curt: Low density standards create scarcity and scarcity increases costs.
  - Jeff: And reduces choice.
  - Sue: Our current City Plan encourages density, but we haven't gotten that.
  - Jen: We're encouraging density but adding barriers to actually do that.
- Sue: In a nutshell, they supported our top recommendations. Got some frustration expressed about how slow it's going with the water districts, but we don't control them.

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We have partnerships with employers and a community land trust tool. Suggested looking at increasing lodging tax. Getting a lot of pushback on the impact fee. Feel like it's not fair for new development to pay. We need to be looking at these stronger tools, though. Basically, they recognized we need to do more to meet our goals but need more specificity. Want better metrics next time.

- Jeff: When is next time?
- Sue: Not scheduled yet. Council has annual priorities that are important because they are matched with resources. The only one currently on the list is offering land bank for homeownership. Darin said if we want to do an impact fee or major incentives, we should talk about whether this might need to be a council priority. At next retreat, they'll be talking about what they want to focus on in regards to affordable housing.
- Rachel: Are we talking about these developments/units being affordable forever?
  - Sue: That came up at Council on Tuesday. Some places do have longer-term affordability guidelines, or places that are affordable forever, but we don't yet have that here. Something to look into.
- Sue: I do wish we had more concrete ideas, but we have produced quite a few units in the past couple years. We might not meet our goal but we have made progress. Some Councilmembers are frustrated that we let some opportunities go by; the Foothills Mall came up again.
  - Rachel: What was that?
  - Sue: Foothills Mall got added to the agreement that if the City passed some regulation or fee that applied to everyone, they would pay it too. But we never negotiated affordable units there and they were banking on the fact that we couldn't pass something that quickly.
- Jen: A lot of this is hard to quantify because it's a moving target. It's market driven and that changes.
  - Sue: We really struggle with this—where does preference play in? We see an increase in renters, but is it because people are preferring that or because there aren't enough homeownership options?
  - Curt: If we don't make any changes, 90% of the housing in Fort Collins will be market rate and 10% will be subsidized.
  - Sue: That's why City Plan has to consider housing and look at the missing middle. Every 5 years we do another Affordable Housing Strategic Plan, and we could change that 10% goal.

## 8. BOARD MEMBER REPORTS

None

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#### 9. OTHER BUSINESS

None

#### 10. ADJOURNMENT

6:13