

**AFFORDABLE HOUSING BOARD
MEETING MINUTES
July 7, 1994**

The meeting of the Affordable Housing Board began at 6:15 p.m. in the Community Planning Conference Room, 281 North College Avenue, Fort Collins, Colorado. AHB members present were Chairperson Mary Cosgrove, Tom Sibbald, Robert Browning, Christa Sarrazin, Craig Welling, Ann Sanders, and Joanne Greer. Staff members present were Ken Waido and Mike Ludwig.

Public comment was heard. Concerns were expressed and discussion held around the following areas:

Contrary to perceived Council comments at the work session, letters have been sent to the Board concerning the dispersal issue, its worthiness, and the difficulty presented for this issue by an absence of City inventory. A map showing unit locations reflected only units assisted by public funds.

A concern was expressed for putting funds to use as soon as possible and evaluating those funds' effectiveness.

Mr. Sibbald made the following comments concerning the minutes of April 7, 1994:

- 1) Page 2, third paragraph from bottom: Mr. Sibbald is not sure that Fort Collins must follow any schedule; and only the Housing Authority is tied to the Larimer County schedule.
- 2) Page 2, fourth paragraph: CDBG decided on the 20-year compliance period in March.
- 3) Discussion by Ms. Janett concerning employers: Uncertainty concerning the direction the Board is to take.
- 4) Last page: Ms. Greer should not be shown as making and seconding the same motion.

**Moved by Mr. Sibbald, seconded by Mr. Browning, approved unanimously:
To approve the minutes of May 5, 1994, May 12, 1994, and June 2, 1994.**

Impact fees were discussed for large commercial developments. The minutes of April 7, 1994, will be reviewed by Staff for revisions and resubmitted to the Board. Staff will also review the issues regarding large commercial developments, their impact on affordable housing, and means of addressing that impact.

Handouts were distributed concerning the June 28, 1994 work session with Council. Staff and the Board discussed their various interpretations of the various comments by Council members. The "Affordable Housing Fund Action Plan" handout was explained. It was felt that Council wished to have a solid proposal to

vote upon. The handout is a reflection of Staff's impression of the various directions advanced by Council members.

Various alternatives and the viability thereof were discussed. The procedures and scheduling of Council resolutions and ordinances were explained by Staff. It was generally agreed that Council felt that some funding along the lines of Resolution #3 should be recommended now, with some time still allowed to finalize programs addressing remaining funds. The lack of compliance provisions was of concern to members of the Board.

It was suggested that the final motion be presented to Council by E-mail in order to gain Council input, with the recommendation of putting the motion in the form of an ordinance. The Board discussed rebate amounts, the general consensus being \$2100 per unit. Location incentives were discussed.

Discussion was held on the three concerns expressed by Mr. Sibbald concerning funding: Cost containment; compliance; the inappropriateness of using fair market rents. He stated that fair market rents were inappropriate for the following reasons:

- 1) Using Larimer County rather than Fort Collins fair market rents;
- 2) Construction will not be stimulated by the allowable rents;
- 3) Fair markets rent formulas are arrived at poorly; and more than one formula may be used at one time.

Mr. Sibbald expressed a preference for imputed rents. Discussion was held on the impact on costs for units that contained more than two bedrooms and increases of funds for units that are tied to lower percentages of of median income.

The lack of compliance provisions were discussed. Various terms of compliance and the enforcement thereof were discussed. A concern was expressed that a loan program not become solely a grant program. The Board expressed a desire to get money out and working. Favorable comments were made concerning a sliding scale, with lower percentages of median income housing receiving more funding. The level of funding discussed would probably not generate housing but would be added incentive for those entities already motivated to provide housing.

Mr. Sibbald offered the following statements for discussion: That of the \$483,000 currently reserved, \$133,000 be appropriated to a non-revolving rebate process distribution plan, to include the following criteria:

- 1) Cost containment;
- 2) Compliance monitoring, with a repayment plan for noncompliance;
- 3) Imputed rent schedule with sliding scale fee rebate, with 45 percent median income receiving the maximum of \$4200, 60 percent receiving the minimum of \$2100;
- 4) Maximum household income;

5) Minimum housing standards.

Cost containment may be based on tables previously developed by Mr. Ludwig.

Home ownership was discussed. Mr. Browning suggested that mortgage payment criteria be treated the same as rent payments of the same amount.

Mr. Browning expressed concern that a high level of restrictions placed upon a low level of funding would be unimpressive to builders. A five-year compliance term received favorable discussion. Comments were made of home ownership having less impact to taxpayers both in terms of lower cost and contributing via their tax base. A two-tiered system was discussed for term of compliance, with rental units having longer terms of compliance (ten years) than ownership units (five years).

Maximum housing income would mean that either the renter or buyer is at 80 percent or less of median income.

Minimum housing requirements would following the dictates of the Fort Collins Building Code.

Further discussion was held concerning the various alternatives available, the preferences of the Board, and the direction of Council. Consensus was reached that Alternative #3 was the most viable, with a figure of \$133,000, in order to make funds available as quickly as possible.

Moved by Mr. Sibbald, seconded by Mr. Welling, approved unanimously: To recommend to Council to adopt an ordinance on the first reading on 8/2/94 that would begin an immediate rebate process for \$133,000 of money reserved for low-income housing, to be distributed as soon as possible; that \$350,000 is to be held in reserve for a revolving loan, distribution, or allocation process, the form to be determined within a year, to address the following elements:

- 1) Cost containment;
- 2) Compliance monitoring;
- 3) Imputed rent schedule;
- 4) Maximum household income with sliding scale fee rebate;
- 5) Minimum housing standards.

The Board is willing to pursue the concept of a community development corporation as one means of implementing the final plan.

Staff informed the Board that Council has directed a reworking of the City Comprehensive Plan. Several items of the Affordable Housing Work Program would be affected by this action. Discussion was held concerning the feasibility of developing proposals which may be preempted in the near future.

The Board asked Staff to rearrange its action plan to give higher priorities to those items which would not be affected by the reworking of the Comprehensive Plan.

Ms. Cosgrove expressed concern over a misunderstanding of the single application process. The Board's recommendation of a single application for three different available funding sources was as to the application form only and not to commingling of funds among different agencies.

Mr. Sibbald quoted from a publication by the Harvard Joint Center for Housing Study that predicted increasing shortages of affordable housing units in the 1990s.

Ms. Sanders stated that her calculator had been left at the work session with Council, was missing, and asked for information regarding its whereabouts. Discussion ensued.

Ms. Sanders moved adjournment, seconded by Mr. Welling. Upon a unanimous vote, the meeting adjourned at 5:45 p.m.