

**AFFORDABLE HOUSING BOARD
MEETING MINUTES
April 7, 1994
Council Liaison: Gina Janett
Staff Liaison: Ken Waido**

The April 7, 1994 meeting of the Affordable Housing Board was called to order at 4:05 p.m. in the Central Conference Room, 281 North College Avenue. Board members present: Mary Cosgrove, Susan Forgue, Joanne Greer, Ann Sanders, Christa Sarrazin, Tom Sibbald, Robert Browning, and Cliff Kight. Board members absent: Craig Welling. Staff members present: Ron Phillips, Ken Waido, and Mike Ludwig. Guests: Jeff Gross and Jerry Sobel.

A. OPEN PUBLIC DISCUSSION

Jerry Sobel, Cottage Lifestyles of St. Paul, described his firm's interest in obtaining Housing Tax Credits for a few sites in Fort Collins. In the future, he would like to receive an endorsement of the Board when his firm makes its application.

B. APPROVAL OF MINUTES

No minutes were available for approval.

C. REPORT FROM SUBCOMMITTEE ON THE AFFORDABLE HOUSING FUND (HOUSING TRUST FUND) - SELECTION CRITERIA PROJECT

Report delayed until Councilmember Gina Janett was present. The board decided to discuss agenda items F and E.

F. CHANGE OF MEETING DATE

Chairperson Mary Cosgrove suggested moving the regular meeting date of the A.H.B. due to the timing of the City Council's review of items that need the Affordable Housing Board's recommendation.

Member Sibbald suggested that the earlier that the board meets in the month, the more likely the Board's point of view will be presented in advance of Councilmembers making a decision. By meeting the first Thursday of the month, the Board will have a better chance of catching items at Council's second reading.

Chair Cosgrove asked for a motion, noting that proper notification had been provided.

Member Forgue moved to change the regular meeting date of the Affordable Housing Board to the first Thursday of each month. Member Greer seconded the motion. The motion passed, 8-0.

E. CDBG DEFINITION OF AFFORDABLE RENTS

Ken Waido stated that within the CDBG program, the City must adopt an Affordable Rents Policy. A draft policy was handed out for the Board to review and discuss.

Member Greer asked for clarification on how the proposed rents were determined.

Mr. Waido explained that the policy would require that rents not exceed 30% of the monthly income of a household which earns 80% of the Area Median Income of Fort Collins.

Mike Ludwig explained that the rent for each bedroom size unit is calculated using 1 1/2 persons per bedroom. A one bedroom unit would be considered a two-person household. 60% of the Area Median Income for a two-person household is \$20,450. 30% of \$20,450, divided by 12 is the maximum monthly rent for a one bedroom unit.

Member Kight asked if this figure also included utilities.

Member Sibbald stated that the figure is unadjusted for utilities. The landlord would be required to make a utility adjustment using the Fort Collins Housing Authority's Section 8 utility allowance schedule.

Chair Cosgrove asked for reactions to the rent amounts.

Member Forgue asked why the HUD Fair Market Rents are substantially lower than the proposed rent policy figures.

Member Sibbald stated that HUD Fair Market Rents are determined based on all of Larimer County, not just Fort Collins. Rents in Fort Collins are higher than the rest of the County. This is the first year in five years that the Fair Market Rents have been below 30% of the monthly income for a household earning 60% of the Area Median Income. The reason for this is that Fair Market Rents are adjusted every 10 years based on Census Data.

Member Greer asked whether the City of Fort Collins had its own Fair Market Rent schedule or whether it had to follow the Larimer County schedule.

Member Sibbald stated that the Fort Collins Housing Authority does not have its own Fair Market Rent schedule and must follow the Larimer County Schedule.

Chair Cosgrove stated that the CDBG policy rents should be consistent within other documents and procedures the Board has created or will create in the future. When members make a motion or vote on this, consider the impact of the selection.

Member Sibbald asked what compliance requirements associated with these rents will be required of CDBG money recipients.

Mr. Waido stated that 51% of a development would have to meet the defined rents and that the policy needs to have procedure for verifying the rents are maintained.

Member Sibbald suggested using an Affordable Housing Fund compliance monitoring mechanism being developed in conjunction with the rents policy.

Member Sibbald asked how long a compliance period would be required. HUD regulations require a 5-year minimum, but believed the CDBG commission was proposing 20 years.

Mr. Waido stated that 20 years was decided.

Member Sibbald said he did not support a 20 year minimum requirement. He stated that the required compliance period should be no longer than the HUD minimum. If the Commission was concerned about the length of compliance it could make that item part of the competitive review for CDBG funding.

Chair Cosgrove stated that Mr. Sibbald comments would be reflected in the minutes.

Chair Cosgrove asked in consideration of proceeding through a full agenda, if the rent policy was something that needed to be acted upon immediately.

Mr. Waido stated that he would like to process it through as quickly as possible. Staff would like to have comments and eventually a recommendation from the A.H.B. and CDBG Commission before taking it to Council. There is no real urgency but staff would like to have this item completed fairly quickly.

No action was taken by the Affordable Housing Board.

(Councilmember Janett entered the meeting at this point.)

Before beginning the discussion on the Selection Criteria, Councilmember Janett asked for time to briefly present some information.

Member Sibbald moved to give Gina Janett time. Member Forgue seconded the motion. The motion passed, 8-0.

Gina Janett stated there is a concept that is used in California which looks at jobs and housing balance in a community with the idea being that we have a lot of high cost housing and low paid wages. Some communities have come up with a system whereby large employers entering a community are required to either provide some housing units in the price range of their employees or put money into an affordable housing trust fund. It is based upon the number of employees, the wages that are paid, and the number of employees below a certain wage. The reason for bringing it up is that it is possible we will be having more discount jobs in our community and

it's very appropriate to consider something like this in light of the impacts that low wage jobs have on subsidized housing, health care, etc. Councilmember Janett asked whether this was something the Board could consider as a revenue source for our Housing Trust Fund.

Member Cosgrove stated that she liked the idea of rewarding and providing incentive to employers who pay higher wages.

Member Sibbald stated that there is a problem in making a distinction by employer and that it should be required of all employers.

Councilmember Janett stated that her intent was to bring this concept to the Board's attention and to encourage the Board to address it soon. (Staff has been directed by Gina Janett and Ron Phillips to research this issue. Staff has contacted the City of Boulder and is waiting to receive information. Staff will present information received and draft program(s) developed for Board review in the near future.)

C. REPORT FROM SUBCOMMITTEE ON THE AFFORDABLE HOUSING FUND (HOUSING TRUST FUND) - SELECTION CRITERIA PROJECT.

Chair Cosgrove, Member Sibbald, and Member Browning described how the subcommittee had developed selection criteria. Chair Cosgrove stated that the subcommittee specifically looked at: creating the most affordable units possible; the financial feasibility of projects; the ability of the developer or manager to make a viable project of a period of time; readiness of a project to proceed; continued affordability; targeting populations; and giving preference to short term loans.

Chair Cosgrove commented that there appeared to be opposition on Council to an RFP process and that a standardized rebate process was the preferred method of some Councilmembers.

The board discussed and agreed to develop a two part disbursement process. The first part being the RFP process and the second part being a Fee Reimbursement Process for small projects.

In response to question by Chair Cosgrove, staff informed the Board that the Delay of Impact Fee item had been pulled from the April 19th City Council agenda in order for administrative issues to be worked out.

The Board expressed disapproval over the item being pulled.

Staff informed the Board that the Delay was taking a different form than the draft version the Board made a motion on in February. The legal department and departments which receive the fees eligible for delay had expressed concern that other boards and commissions may need to review the policy before it is presented to the Council.

The Board expressed support for the Option which the subcommittee had drafted and recommended that a "Part 2- Fee Reimbursement" procedure be added.

It was decided that the Subcommittee would meet again on the evening of the April 11, 1994 to draft Part 2.

The Board agreed to hold another meeting on April 14, 1994 at 3 p.m. to discuss the revised Part 1 and the new Part 2.

The Board tentatively set the evening of April 28, 1994 as the public hearing for the Board recommended process.

D. HOME PARTICIPATION JURISDICTION "PROGRAM DESCRIPTION"

Ken Waido informed the Board that a meeting of probable HOME applicants had been held to develop an estimate the funds which would be requested and the types of projects. The City is required to submit the estimate to HUD by April 25th. Each of the project estimations are in conformance with priorities identified within the CHAS.

Chair Cosgrove asked if in approving the estimate, the Board would be committing money to the projects identified.

Mr. Waido stated that it was only an estimate and that no commitment was being made.

Member Forgue moved to approve Ken Waido's estimate to be submitted to HUD. Member Sanders seconded the motion. The motion passed, 8-0.

Member Greer moved to adjourn. Member Sanders seconded the motion.