

**AFFORDABLE HOUSING BOARD  
MEETING MINUTES  
February 10, 1994  
Council Liaison: Gina Janett  
Staff Liaison: Ken Waido**

The February 10, 1994 meeting of the Affordable Housing Board was called to order at 4:05 p.m. by Chair Mary Cosgrove in the Main Conference Room, 281 North College Avenue. Board members present: Mary Cosgrove, Susan Fogue, Joanne Greer, Ann Sanders, Christa Sarrazin, Tom Sibbald and Craig Welling. Board members absent: Robert Browning and Cliff Kight. Staff members present: Diane Jones, Mike Ludwig, Heidi Phelps, Ron Phillips and Ken Waido. Council members present: Gerry Horak. Guests: Rusty Collins, Stan Everitt and Jeff Gross.

**A. OPEN PUBLIC DISCUSSION**

**1. Accessible Housing**

Rusty Collins, Colorado State University, Department of Design, Merchandising and Consumer Sciences, gave a presentation on the Master's Thesis he had completed. The project built a data base framework for inventorying accessible rental units in Fort Collins. The study showed: 1) that demand exceeds availability of units; and 2) in most cases disabled tenants are likely to pay more for accessible units. The Board invited Mr. Collins to return at a later time for a more in-depth presentation.

**2. Senior Housing**

Jeff Gross, a developer, approached the Board regarding a potential Senior housing project involving tax increment financing (TIF). As a result of being told by a Housing Authority representative to build south of Prospect Road, Mr. Gross asked the Board about possible geographic locations for such a development.

Member Sanders stressed that the development needed to be accessible to amenities.

Mr. Waido added that it was a City policy that affordable housing be dispersed throughout the City.

**B. INTRODUCTION OF NEW PLANNER**

Ken Waido introduced Mike Ludwig, who has been hired by the Planning Department as its "housing-emphasis" planner.

**C. APPROVAL OF MINUTES**

**Member Sibbald moved to approve the minutes of the October 13, 1993 meeting as submitted. Member Greer seconded the motion. The motion passed, 7-0.**

## **CHANGE IN AGENDA ORDER**

**Member Sibbald moved to move up Agenda Item H. (Planning Review Fees), to the most convenient time in the agenda when all parties would be available to discuss the Planning Review Fee issue to be heard before City Council on Tuesday, February 15. Member Welling seconded the motion. The motion passed, 7-0.**

### **D. REPORT ON JOINT MEETING WITH CDBG COMMISSION OFFICERS**

Chair Cosgrove reported on a joint meeting which she and Vice-Chair Craig Welling attended with the CDBG Commission's Chair Linda Coxen and Vice-Chair Dan MacArthur. The meeting was to discuss the roles of each of the Boards and interrelationships in terms of affordable housing concerns.

Chair Cosgrove shared three key points which were the product of that meeting:

- 1) The CDBG Commission asked for the Affordable Housing Board to present any statement of needs which centered around affordable housing issues, especially in terms of the CDBG Commission being able to be aware of and assess those needs as it allocated funds.
- 2) The CDBG Commission did not believe that any joint process was workable in terms of allocation of funds. In particular, the officers expressed concern about decisions on specific projects for which members of the Affordable Housing Board might actually be applying/competing for funding.
- 3) The CDBG Commission expressed an initial interest in allocating funds for the Affordable Housing Board, if asked to do so.

Member Sibbald said that he viewed the Affordable Housing Board's role as providing input on appropriate local "affordable housing" criteria.

### **E. AMENDMENTS TO THE CHAS**

Ken Waido stated that HUD had preliminarily reviewed the City's FY 1994 CHAS report and had requested that the Annual Priorities be assigned priority numbers. Mr. Waido distributed a memorandum in which he had provided a staff recommendation on assignment of priority numbers for each of the Annual Priorities [attachment to minutes]. He reviewed the Annual Priorities for the Board, providing explanation where needed.

**Member Welling moved to approve the prioritization of the Annual Priorities as set forth in the memorandum by Ken Waido. Member Greer seconded the motion. The motion passed,**

7-0.

#### **F. PARTICIPATING JURISDICTION FOR HOME FUNDS**

Ken Waido referenced the hand-out entitled "Participating Jurisdiction in the HOME Program". He stated that the City had been invited to be a Participating Jurisdiction in the HOME program. Available federal HOME funds would initially be \$425,000; the State would provide an additional \$75,000 to bring Fort Collins to the required \$500,000 threshold.

The program also requires matching funds; the amount varies depending on the type of project funded. Mr. Waido outlined some other requirements. The monies can essentially be used for the same activities as CDBG funds; however, HOME funds can also be used for new construction and payment (rental and home owner) assistance.

Mr. Waido outlined a time-line for participation in the program. He said that at its March 1 meeting, the City Council will be acting on a resolution authorizing a letter of intent to participate in the program.

Mr. Waido answered Board member questions about logistics of the program.

Member Sibbald requested that it be made clear to City Council that there are distinctions between HOME funds and CDBG monies in terms of use, etc.

Member Sibbald suggested that part of the HOME monies could be used to set up the City's own rental assistance program, since a local increase in similar Federal assistance is unlikely.

**Member Forgue moved to recommend positive consideration of participating in the HOME program to the City Council at its March 1 meeting. Member Sanders seconded the motion. The motion passed, 7-0.**

#### **I. JOINT MEETING WITH PLANNING AND ZONING BOARD**

Chair Cosgrove reminded Board members about the joint meeting scheduled for February 17th.

#### **H. DEVELOPMENT REVIEW FEES**

Diane Jones, Deputy City Manager, and Gerry Horak, City Council member, were present for discussion of this agenda item. Stan Everitt, Executive Vice-President, Everitt Companies, Inc. was present at the invitation of Board member Tom Sibbald.

Ron Phillips, Interim Planning Director, distributed a fee schedule showing current fees and several

proposed fee options [attachment to minutes]. He also distributed copies of the Agenda Item Summary (AIS) being presented to City Council on Tuesday night, February 15.

Mr. Phillips noted that there were two ordinances: 1) Ordinance #27 - outlining the fee increase options (A or B); and 2) Ordinance #28 - outlining affordable housing fee subsidy options (A or B). Mr. Phillips provided a summary of the ordinances and options.

Member Sibbald and Mr. Everitt asked for clarification on some of the items related to the Stormwater, Water and Wastewater aspects of some of the proposed fee increases.

Council member Horak provided an overview a policy basis for the ordinances: 1) payment should be made for the cost of goods or services received; 2) affordable housing needs should be recognized; and 3) current overall subsidies of development review costs should be decreased with revenues diverted to offsetting affordable housing fee costs.

Member Sibbald stated that he believed that a rebate system was superior to an initial fee waiver, since it was based on actual projects.

Ms. Jones said that based on Council direction, the current proposal was a baseline and a way to tie things together. She added that it was a way to get started, and that fine tuning would be needed for application.

Chair Cosgrove questioned whether a rebate system on fees would impede smaller developers from doing affordable housing projects, since front-end costs would not be reduced.

Mr. Everitt asked the Board what the intention of the entire project was.

Chair Cosgrove stated that the City was planning to raise development review fees in order to recover more of the actual cost of the service, while at the same time being sensitive to affordable housing concerns.

Mr. Everitt asked if the additional money generated to General Fund would be used to subsidize affordable housing in some way.

Chair Cosgrove stated that that was her understanding.

Council member Horak shared that another way of looking at the proposal was that money which is already used to subsidize housing will now be focused on subsidizing affordable housing.

Mr. Everitt asked if the intention was to generate more affordable housing for the community.

Chair Cosgrove stated that that was the bottom line.

Council member Horak clarified that the "bottom-line" intention of Council was to have a conscious policy about "why we're doing what we're doing and why we're putting \$300,000 in this activity" [development review].

Mr. Everitt had questions and comments regarding the proposed development review fee increase as it related to the City's fee policy, adopted in 1992.

Chair Cosgrove asked the Board how it wanted to address the proposal at hand.

Member Sibbald stated that he believed that there had been a change in policy in regard to planning review fees, i.e., that the cost of planning review would no longer be covered out of General Fund revenues. He added that such a policy assumes that the community doesn't necessarily benefit from development review activity.

Member Sibbald stated that he believed that the community did benefit from the planning review process, since that activity ensures that project submittals fit the City's stated goals, policies and development regulations. He added that the Planning Department's review doesn't necessarily benefit the proposal submitter.

Ron Phillips provided an overview of the process on this project to date. He stated that from a policy stand-point, the Board did not need to be concerned about the amount of fee increase as long as affordable housing concerns were addressed.

Board members answered that the Board needed to be concerned about the amount of fee increase, since it was part of the Board's purpose to address across-the-spectrum housing costs in the community, and that they believed there was a "trickle-down" effect.

Ron Phillips answered board member questions about the tiering system and the fee structure.

Board members stated that there needed to be some provision in the fee structure for smaller development proposals. Board members said they believed that the current proposal would eliminate smaller developers from the housing marketplace.

Member Welling expressed concern about using a fee structure based on average costs versus actual costs for reviewing projects. He also stated that he was concerned about the philosophical assumption that there is no community benefit to the planning review process.

There was Board discussion on the issue of community benefit.

Chair Cosgrove had a question about utility fees (stormwater, etc.) already being covered by monthly rate payers.

There was Board discussion about whether monthly rate payers or developers (through fees) were already covering the cost of new utilities and the associated planning review activity. Concerns were raised about whether the new fee structure would lead to a "double-charge" situation.

**Member Sibbald moved to recommend to City Council that it go forward with Option A of Ordinance #27 for the Planning Fee schedule at the 50% level of Planning Department costs, and that the Board recommends that the distribution plan of whatever monies are available for the affordable housing fee subsidy be remanded back to staff and the Affordable Housing Board for implementation of an allocation plan within 60 days of February 15. Member Welling seconded the motion.**

Member Sibbald stated that he hoped Council wouldn't buy into the system that was currently being proposed. He added that he also hoped that staff and perhaps a subcommittee of the Board could work together on developing an allocation plan, and that the tiering system could be dealt with as part of the allocation plan.

Member Sibbald explained that his reasoning behind the 50% cost recovery was a matter of compromise.

Member Sibbald also shared that the Planning and Zoning Board's recommendation of 20% of all costs should be noted. He cited the Board's ability to deal with planning and zoning matters at a sophisticated level and its knowledge of what goes into the plan review part of a planning submittal.

Mr. Waido expressed some concerns about staff being able to meet the 60-day deadline in terms of the implementation plan.

Member Sibbald said he was very concerned about the affordable housing portions of the current proposal options, because there were no specific numbers, no allocation element and no minimum standards.

Member Sibbald expressed misgivings about the rationale for 2-4 affordable housing projects coming forward per year. He stated that in the past four years, there have been only five affordable housing projects presented of which he was aware.

**The motion passed, 6-1. Nays: Member Sanders.**

[Member Sanders later clarified that she gave a dissenting vote because she thought the motion would contain an amendment recommending a three-tier system for assessing planning review fees. That

issue was addressed in a separate motion.]

**Member Welling moved that before any proposal is adopted, that a three-tier system for assessing planning review fees be established, which takes into account affordable housing projects, median housing, as well as high-income housing. Member Sanders seconded the motion.**

Member Sanders said she believed it was very important for the Board to specifically state its recommendation of a three-tier assessment system.

Member Sibbald asked for clarification on the intent of the motion.

Member Welling stated that no matter what fee increase was adopted, that there should be a three-tier assessment system.

Member Sanders concurred.

Ms. Jones asked for clarification on the three-tier system.

Member Welling stated that the three-tier system dealt with the assessment rather than the distribution of fees.

Mr. Waido expressed some concerns about the definition of affordable housing. In terms of land use decisions beyond that, the City has steered away from economics. He stated that as an example, it should not be a planning concern whether the houses sell for \$80,000 or \$250,000. He said he wondered about a possible mixing of land use and economic decisions.

Member Sibbald stated that as a planning issue, the cost of any house was inconsequential. However, the assessment of fees for the cost of that activity might make a difference in the potential viability of housing alternatives.

**The motion passed, 7-0.**

Member Welling also asked whether or not the motions made at the November 29, 1993 Board should also be forwarded to City Council.

Mr. Waido stated that those recommendations were inherent in the first motion.

Member Welling requested that it be made clear to City Council that from a philosophical perspective the Board feels that there is community benefit in the planning review process.

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**J. CONTINUATION OF MEETING**

**Member Sibbald moved to continue the meeting on Thursday, February 24, 1994 from 4:00 to 6:00 p.m. Member Greer seconded the motion. The motion passed, 7-0.**

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