

**MINUTES
CITY OF FORT COLLINS
AFFORDABLE HOUSING BOARD**

Date: Thursday, August 11, 2016
Location: City Clerk’s Large Conference Room, City Hall, 300 Laporte Ave.
Time: 4:00–6:00pm

For Reference

Jeff Johnson, Chair
Ray Martinez, Council Liaison
Sue Beck-Ferkiss, Staff Liaison 970-221-6753

Board Members Present

Jeffrey Johnson, Chair
Eloise Emery
Diane Cohn
Jennifer Bray
Curt Lyons
Kristin Fritz

Board Members Absent

Terence Hoaglund

Staff Present

Sue Beck-Ferkiss, Social Sustainability Specialist
Dianne Tjalkens, Administrative Assistant/Board Support
Ryan Mounce, City Planner
Meaghan Overton, Associate Planner
Beth Rosen, Affordable Housing Program Administrator

Guests

none

Call to order: Jeff Johnson called to order at 4:03pm.

Agenda Review: No changes.

Public Comment: None

Review and Approval of Minutes

Jen moved to approve the July minutes as presented. Eloise seconded. Motion passed, 5-0-1. Jeff abstained
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AGENDA ITEM 1: Old Town Plan—Pete Wray

Finalizing policies and strategies this fall. Support for more in home and attached ADUs vs. carriage houses. Suggested standards: size limits, reducing minimum lots size, paving alleys, etc. Will have larger citywide discussion regarding ADUs. Have to consider whether they will become more short-

term rentals or long-term housing. Survey respondents for Old Town Plan said flexibility in ADUs is important. Benefits include affordability, maintaining neighborhood character, least intrusive way to add density, aging in place (downsizing and family care). Concerns are more renters and vacation rentals, loss of privacy, infrastructure needs and parking. Attached additional units on main house have fewer impacts on neighbors. Looking at adding policy item in plan to encourage different housing types. Would develop new ADU standards and coordinate potential ADU code changes with short term rental changes.

Options: New land use for attached or in-home ADU (distinct from duplex); consider whether property owner should be required to live in one of the units; and allowing duplexes in NCL (neighborhood conservation low density). Public does not want to see significant changes. Could define new land use for attached ADU: exploring in NCM, NCB and NCL zone districts. Looking at minimum lot size, cap to subordinate the unit, separate entrance, owner occupancy requirement, would still be required to meet existing standards. Regarding allowing duplexes in NCL, concern from neighbors around allowing additional units in this zone. Looking at other communities to see how it has been done. Ex: 1800sf home on 12Ksf lot in NCL. Already eligible for carriage house. In-home ADU limited to 720sf, with separate entrance, 1 parking space per bedroom, and minimum 10sf dimension of open area (yard). Coordinating with Downtown Plan adoption.

Comments/Q&A

- Jeff: Alley pavement is expensive and can kill projects. Deal breaker.
- Kristin: Curb, gutter, etc?
 - Ryan: Just paving and approach—controls dust and other issues.
- Jeff: Waiting until short term rental discussion is had is a good idea. Short term rental is hot button topic. If can separate ADUs from that issue may get more favorable outcome.
 - Eloise: Stress the why, like aging in place. Purpose is not short term rental.
 - Jeff: In-house or attached ADUs vs. carriage houses have more support? Is that a concern centered around control of guests (Airbnb issues)? The more density the better (as appropriate) for sustainability. Carriage homes could be looked upon equally favorably if short term rental issue is dealt with.
- Jeff: Argument on privacy, shading, etc...If enlarge main home have potential to create same privacy intrusions.
 - Pete: Offset impact of larger main home by encouraging smaller ADUs. Take advantage of alleys.
 - Jeff: Makes alleys safer.
 - Sue: Ex: Could disallow changing footprint of main building.
 - Kristin: Each lot is different—more constraints, the less it will be done.
 - Sue: Durango did plan neighborhood by neighborhood.
- Jeff: Most ADU potential is in Old Town, not newer neighborhoods?
 - Ryan: Already in zoning, have alleys, etc.
 - Jeff: Prefer it stay in Old Town Plan rather than waiting. Start small.
 - Diane: Needs to be Old Town *and* the rest of the city. Start with plan already in process.
- Jeff: Considerations of landlord being on site centered around renter behavior?
 - Ryan: Influenced by short term rental issues. Also neighborhoods have history of smaller units, but getting larger homes recently. New design standards to maintain character.
- Eloise: If part of goal is to create affordable units, could you add language around affordability?

- Ryan: If new units, new construction, will be a little more expensive, but may be natural limit to what can be charged based on size. Tricky to do affordability covenants and then have enforcement issues.
- Kristin: Benefit to ADUs is alternative to market, smaller options, and options in general. Making affordable will create a lightning rod, and barrier to adding ADUs. Just adding smaller units will impact affordability.
- Jen: Can you incentivize affordability?
 - Clay: Would have to be fee based. No density maximum in these zone districts. Incentives aren't in these zone districts. Not just about affordable housing, could provide more middle income housing which is going away fast.
 - Jen: Not fee based incentive, but something like modification to lot size with affordability agreement.
 - Kristin: Enforcement.
 - Sue: Good idea to figure out how to do that. Home protection as well, with owner who may need to stabilize income to continue to afford home.
- Curt: ADU could easily cost \$100K to build. If in Old Town, cant charge \$1500 for 400sq ft unit on alley. Will allow people who otherwise wouldn't be able to live in Old Town to do so.
 - Sue: De-facto affordability.
 - Ryan: Future affordability as well. Older units become less expensive to rent.
- Jen: Over-under duplexes are challenging to finance—hard to determine if duplex or ADU—entrance, kitchen? Conventional loans (don't qualify for FHA), so minimum 15% down. In order to appraise need recent solds in the area. If severely limited, will be very difficult.
 - Kristin: NCL only allows single family, so if allow duplexes essentially doubles potential density.
 - Sue: On practical level, won't see that much change.
 - Kristin: Increases value of lot, and want highest and best use. In Denver Wash Park made that change and is all duplexes now.
- Diane: Expensive to create an ADU. If using same entrance, self-policing tenants. External entrance is an additional cost that some cannot afford.
 - Curt: When think of accessory, it is subordinate to main home. In 70s had ADUs that weren't subordinated.
 - Clay: Big ones drove these changes.
 - Kristin: Caps on size.
 - Clay: Some are as low as 25%. Combination of percentage and 800sf cap makes a lot of sense. Don't want a second single family home on property.
 - Curt: If over garage, is 800sf just habitable space or would include garage.
 - Clay: Doesn't include parking. Need to explore definition of 800sf.
 - Curt: 800sf is generous.
 - Pete: Carriage house cap is 600sf.
 - Jeff: ADU without separate entrance, just amending code to allow a kitchen?
 - Ryan: If still one dwelling unit, get into You+2.
 - Beth: Intergenerational living?
 - Ryan: Gets around You+2
 - Sue: Separate internal entrance?
 - Megan: Haven't defined yet.
- Kristin: Is staff still recommending downzonings previously discussed?

- Pete: Yes.
- Jeff: With or without consent of property owners?
 - Pete: Have met with all owners, mixed response. Up to Council. Think about it in combination with potential changes presented.
 - Jeff: If downzoning will be contentious, the more you separate issues, the better. The board will be supportive of ADUs.
 - Pete: Many potential changes. Not bundled.
- Pete: LMN areas with a larger tracts of land and more suitable for future change, want to keep potential. Smaller lots—support to have compatible with surrounding homes.
 - Curt: Seems to be around surrounding home values.
 - Kristin: Lots identified on far west of Mountain have existing multiplexes.
 - Clay: Didn't see multiple units.
 - Kristin: Look at them closely, they are there. Gem to have a four-plex on Mountain Avenue in downtown.
 - Clay: Don't want to put properties into non-conformance.
 - Pete: With low density mixed use, zoning was for newer neighborhoods. Don't want to encourage removal of historic homes on that block (consolidate, scrape and build larger).
- Sue: When does staff need board recommendation?
 - Pete: Can come back when have Council dates.
 - Megan: Will provide draft plan when it is available.
 - Sue: Board can make recommendation about whole plan, or just certain implementation actions.
- Opinions on owner-occupied?
 - Jeff: Not sure how feel about it. Enforcement issue is big.
 - Diane: Non-owner occupied more likely to flip into short term rental. Will decrease likelihood of investment purchasing.
 - Jeff: More units, even if investment properties, is a good thing. Suggest taking owner-occupancy restriction out.
 - Kristin: Want to remove barriers to developing affordable housing. Way for community to address concerns. Better to not have that regulation, but if won't get adopted otherwise, then move forward.
 - Diane: Want people living in it, not vacationing there.
 - Curt: Housing type that is not allowed because of owner concerns. Appeasing concerns.
 - Jen: Less likely to build ADU. When go to sell home, creates a barrier.
 - Beth: Condition of approval, but not monitored.
 - Jen: Have parking, noise, and other ordinances to deal with problems.
 - Ryan: Short term rental issues need to be resolved.
 - Curt: Long term rentals are considered fine, but short term not. Problems seen are more often with long term rentals.
- Jen: How does this get into scope of rest of Fort Collins?
 - Pete: Focused on Old Town neighborhoods. If get funding in next budget will update City Plan.
 - Sue: ADUs already a priority in City Plan.

ACTION ITEMS: Staff will send draft plan and return for board with updates. Board may consider making a recommendation at that time.

AGENDA ITEM 2: Density and Design—Kristin Fritz

Planning Basics: Land use hierarchy in land use planning. Start at 20Kft/20 year view. City Plan gives citywide goals, objectives and policies; focused on land use. Includes capital improvement plan and pedestrian and transportation plan. Subarea plans are neighborhood or corridor specific. Intended to further goals of City Plan and have specific recommendations for smaller areas. Should be consistent with City Plan.

Zoning: Parcel specific. Tool for implementing policies. (In some states legally must be consistent with city plan.) Fort Collins Zoning Maps: corridors are pink (higher density), lower density neighborhoods are yellow.

Land Use Code: Regulates form of buildings (height, setbacks, density, FAR, parking), and use (residential, commercial, industrial, parks and open space). Zoning came out of intent to separate uses that are not compatible. Unintended consequence of forcing use of cars; separating neighborhoods from shopping, etc. Moving away from just focusing on use and focusing more on form. Mixing use is good, if buildings are compatible.

Smart Growth: Better ways to do development, mix of housing, mix of income, preservation of agriculture, protecting environment, healthy transit, higher density, etc.

TOD (transportation overlay district): Developing neighborhoods that prioritize non-motorized transportation. Walkable. Dense network of street and paths, located near transit, creating regions with short commutes. Increasing mobility by regulating parking and road use. Transit systems rely on ridership. Without density it is hard for transit systems to work. Cost burden is when housing cost is more than 50% of income. Really helps a household's finances if they don't have to drive every day.

New Urbanism: Focus on walkability, mixed use, diversity, mixed housing, traditional neighborhood structure, smart transportation, sustainability, quality of life, etc. Benefits include increased sales tax revenue, income potential for developers, stable and appreciable tax based (spending less on infrastructure). Sprawl is expensive—streets, stormwater, etc.

Density: Creates walkability, supports housing choice and affordability, expands transportation options, supports fiscal health, improves security, protects the environment, etc. Density spectrum goes from RL (residential low density), to LMN which allows single family and multifamily. Most Land Bank properties are zoned LMN. In LMN if building over 50 units need P&Z approval. Has restrictions for units/acre and units/building. Most available land is LMN. MMN has no maximum density, minimum units/acre, max 3-story, typically flanks N-C zone. HMN has minimum 20 units/acre with height limit at 5 stories. CG has no limits but height of 4 stories. Intent of LMN district is predominance of low density and single family homes with some mixed use, duplexes, townhomes, etc. People are afraid of really tall buildings without good design standards. Village on Redwood will be 12 units/acre. Typically see townhomes. 23 units per acre at Village on Plum—still a lot of communal open space. District at Campus West is example of 56 units/acre. Maximum is 155 unit/acre with retail bottom floor (takes up whole block).

With good design 20 units/acre doesn't have to look much more dense than 12/acre. Lower density=higher cost/unit. Less efficiency with larger site, more foundations and other infrastructure, more trash enclosures, SKIN ratio, takes longer to build, stormwater quality and detention, parking and access control (building security). Harder to meet energy efficiency goals—can't have central boilers, solar is more costly, limits ADA accessibility (no elevators so only available on ground floor), etc. 20-30 units/acre is where construction costs become efficient for non-urban context. In 2015 someone working minimum wage would have needed to work 85 hours/week to afford a 2-bedroom apartment. High numbers of cost burdened, homeless, etc. Limiting density has impact on affordability.

Comments/Q&A

- Curt: Open space is private yards, not public space.
 - Sue: Community concerns around too much open space (camping issues, etc.)
- Eloise: Some people with physical disabilities still able to go upstairs to second level, but need dumbwaiters or other way to get groceries and laundry to unit.
- Diane: Issue is primarily about zoning?
 - Kristin: To maximize affordable housing, if limited to 12 units/acre are not doing our best.
 - Sue: One application for Horsetooth land bank was to put all units on ½ the land and wait for zoning to change to build out rest of property.
 - Kristin: 96 units on 8 acres.
 - Sue: Also compatibility issue. The properties are where they are.
 - Kristin: Creative and site specific solutions.
 - Sue: Land bank is area of control. Can look at ways to maximize the asset as deploy.
- Curt: Low density creates scarcity which affects affordability?
 - Kristin: When there are no vacancies and not meeting demand, rents go up. When put more units online, help this.
 - Sue: System is constrained in many ways, but limited in all housing types.
- Diane: Population is increasing and impacting all decisions, traffic issues, etc. people are coming here every day.
 - Kristin: Density is a better solution. People oppose projects with higher density. City Plan had the vision to promote density around transit and create walkability. Growing pains. Need to stay the course. This is why nervous when discussing downzoning anything—creating precedent.
 - Sue: Right housing at right place on TOD.
 - Diane: Some people won't like it, but it still needs to be there.
 - Beth: Gone from small town to metro city, but don't want to acknowledge change.
 - Kristin: People are afraid of density of Horsetooth project, but it is not high density at all.
 - Sue: Not just growing, but maturing; need to grow up.
 - Eloise: Don't understand what defining GMA means. How do you get people to accept/like higher density projects?
 - Sue: Leadership is important.
 - Curt: Going up doesn't have to be more than 5 stories.
 - On two FCHA properties if could have built 20/acre, would have had 100 more units.
- Smart growth/new urbanism, mixed use, mixed income—our affordable housing is in chunks. Have to have a car to do anything. Visitor at prior meeting said if don't have mixed income don't have mentors.
 - Kristin: Mixed income requires more density. Larger land bank properties are too big for 100% low income. Need mixed use.
 - Sue: Just because we allow it, doesn't mean the market will make it work. Financing challenges, especially with tax credits.

AGENDA ITEM 3: Private Activity Bond Requests—Sue Beck-Ferkiss

Last three years assigned PAB capacity to FCHA to use for creation and rehabilitation of affordable housing. Provided to the City from IRS through the state. If not allocated, goes back to the state

September 15. Shows local support to assign PAB to local projects. 2 requests –first for DMA Plaza (\$5M in bond capacity); Oakridge Crossing has asked for remainder. Either project can get more from the state. CHFA can backfill the bond to meet both projects’ full needs. Sue will be going to Council to request entire capacity assigned to CHFA, which will distribute to these two projects. Seeking recommendation from board.

Jeff moved that the board recommend all of the City’s PAB allocation be assigned to CHFA in support of the DMA Plaza and Oakridge Crossing projects. Jen seconded.
Motion passed unanimously, 6-0-0.

Comments/Q&A

- Kristin: Annual bond cap? What were projects?
 - Last three years assigned to FCHA. No current request from FCHA, and she did reach out. Current project is using DR (disaster recovery) funds direct from state.

ACTION ITEMS: Sue drafted memo.

AGENDA ITEM 5: Other Business

Recycling Ordinance

Sue provided handout.

Affordable Housing Education Program

- Eloise: Provided handout to board. Seeking comments/input. Want to keep it simple. Requests assistance when provides information to the public.

ACTION ITEM: Consider forming a subcommittee.

Updates, Liaison Reports & Open Board Discussion

- Curt: Jeff asked Ginny Sawyer to keep the board updated on short-term rentals.
 - Sue: In contact with Ginny to determine best time for her to come back to board.
- Jen: HR3700 passed, buyers with FHA loans are seeing change in percentage of owner occupancy for condos.
- Curt: Talked to Gerry Horak and Bob Overbeck about ADUs. Councilman Horak sent Curt’s comments to Darin Atteberry, who sent to Sue.
 - Sue: Gets seen by more people when go through SAR process.
 - Curt: 5% lot size requirement for ADUs is not significant effort.
 - Kristin: Agree, should be less conservative.
 - Sue: Article from San Francisco—when don’t change footprint of house, should be a no-brainer.
 - Kristin: Political climate is difficult for planners—compatibility is a theme.
 - Diane: Especially for Old Town.
 - Kristin: City Plan says should be doing ADUs, so Old Town Neighborhood Plan is place to do it.
 - Eloise: So concerned with what people think that named zone “Conservation” district.
 - Sue: Can support plan in general, but make specific recommendations around lot size.
 - Kristin: And not including NCL, which is majority.

- Jen: Would like to see map of properties allowed on vs. where they actually are.
- Kristin: Can plan to worst case scenario.
- Jen: Investment owned short term rentals—want to know the numbers before making recommendations.

ACTION ITEMS: Members can provide liaison reports and other information via email.

Meeting Adjourned: 6:11pm

Next Meeting: September 1