

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

**Date:** Thursday, March 23, 2017  
**Location:** Community Room, 215 North Mason Street  
**Time:** 4:00–6:00pm

**For Reference**

Diane Cohn, Chair  
Ray Martinez, Council Liaison  
Sue Beck-Ferkiss, Staff Liaison           970-221-6753

**Board Members Present**

Diane Cohn  
Jennifer Bray  
Jeffrey Johnson  
Eloise Emery  
Curt Lyons  
Catherine Costlow

**Board Members Absent**

Kristin Fritz

**Staff Present**

Sue Beck-Ferkiss, Social Sustainability Specialist  
Beth Rosen, Affordable Housing Program Administrator

**Guests**

Catherine Beckman, citizen  
Gene Wilken, citizen

**Call to order:** 4:00pm

**Agenda Review:** No changes.

**Public Comment:** Catherine Beckman—Lives in Caribou—affordable housing complex, using section 8 voucher. If were to loose voucher her rent would go up \$400/mth just to stay in her unit. She is spending time explaining differences in types of funding, subsidies and vouchers to others.

**Announcements:**

- Police sent invitation to Diane Cohn to watch and comment on process for hiring the next Deputy Chief. She cannot attend and offered to see if any other board member would like to attend in her place. They are connecting with chairs of board and commissions in Fort Collins.
- April 26, 5:00-6:30pm, Councilman Martinez Listening Session on housing affordability at Foothills Mall in common area by fireplace. The board does not need to bring anything, but can provide handouts if desired. Listening to public in hopes to learn from them.
  - Important to have numbers available for attendees. Don't want to go empty handed. Need to be able to answer questions. One-pager on goals, priorities, etc.?
- Land Bank briefings have gone well. Sent 1300 postcards to property neighbors, also sent press release, put on website, etc. Will follow up with workshops and presentations to boards and commissions. Have heard concerns about myths around affordable housing. Land Bank has been topic on Next Door. Messaging is about history, current policy, and where going.

Once people understand process become more comfortable. Development review process for Land Bank is the same as any other development in the community.

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## **AGENDA ITEM 1: Affordable Housing Funding Proposal Ranking Discussion**

### **DMA Plaza**

- Eloise: Valuable investment in rehab—very low income seniors, special population. Ensures 20 years affordability. Aligns with Affordable Housing Strategic Plan to preserve existing units. Appreciate that no tenants have been displaced during the rehab.
- Diane: Ranked second highest—affordable in perpetuity is impressive. Serious about work they are doing. However, not sure what their funding will turn out to be with trying to combine 4% and 9% tax credits.
  - Beth: Pressure is in how strong this will compete for 9%. 4% is non-competitive. Unsure if there is a backup plan if don't receive 9% tax credits. Offer for funds from City would be rescinded if didn't receive 9% and didn't have funding stack in order by January, but could come back in the spring.
- Jen: Can they reapply for funds if don't receive full amount this round?
  - Beth: Can do project in pieces, but cannot sit on funds from City until get full amount.
- Jen: Demonstrated success and history of being able to get out of debt.
- Curt: Strong location—amenities and transit within walkable distance. Respect for this project—started privately and haven't used much grant money up to this point. These units are not managed by a nonprofit that specializes in affordable housing. This and Northern both have the risk of becoming luxury units if don't maintain affordability.
- Jeff: Time is now for this project. Project is free and clear. Atypical project. They know what they are doing. Not using project based vouchers; portable only. Impressive way they are serving low income seniors. Need will only be increasing.
- Eloise: Every senior housing project that receives Section 8 seems to have a resident services coordinator.
  - Sue: One articulated priority for 9% tax credits is permanent supportive housing (PSH), but DMA Plaza will not qualify as PSH.
- Jeff: Good to have a variety of affordable housing providers in our community.
- Jen: When done with rehab will gain ~20 units that have been offline.

### **Housing Catalyst**

- Curt: Valid and important project—ideally fund them all. But most likely to make this project succeed regardless of whether receive this funding. Shovel ready. Small portion of the project.
- Jen: 96 units is great increase in inventory. Beautiful project. Need this to show what Land Bank projects look like. Time is of the essence—if this gets pushed into the fall, it will be even more expensive to complete.
  - Sue: LIHTC brought less money in. They had a letter of intent at over \$1.00/credit, but it went down to \$0.90 after election.
  - Beth: Disaster relief deadlines.
- Diane: Issue is straight numbers—meets goals in strategic plan. Also great demonstration project to show how to get best use out of these properties. They exist specifically to do this work—need to honor that purpose.
  - Sue: They had hoped to not need CDBG, but the election changed the stack. Had to change their plan.
- Jeff: Using private activity bonds for this project?

- Sue: Not yet, but they will need them because it's a 4%. Required for disaster relief projects. Can get from City or State. Replacing inventory lost in the county from 2013 flood.
- Diane: Use restrictions?
  - Sue: This project comes under current code—has to meet certain AMI levels, affordable in perpetuity, etc.
  - Beth: Additional land use restrictions that come with tax credits.
  - Sue: In this case tax credit restrictions are inferior to the Land Bank restrictions.
- Jeff: Amazing developer, but desire spectrum and diversity of housing. Other proposals include ownership. DMA and Habitat might struggle more for funding. If want diversity in stock, must support a variety of providers. DMA is a unique opportunity at this time.
- Eloise: Would have liked to see more units on this property—will be good example to show that could have had more density.

### **Habitat for Humanity**

- Jeff: Also under timing pressure. Great organization with ownership opportunity.
- Diane: Harmony project will be large. Love that going for scale. Urgency of units on the ground now is important, though. Strong organization. But for this project, ranking less high because of longer timeline of getting units completed.
  - Curt: Thinking of funding them down the road?
  - Diane: Perhaps.
  - Jen: \$5K/lot for tap fees. Going to cost more in the future for tap fees. Timeliness issue for purchasing land and tap fees. Have identified current gap.
  - Curt: City is doubling raw water costs.
- Curt: With ownership, Habitat does not come back to ask for maintenance and rehab costs. Sustainable model.
- Jen: Would like to have more discussion on Habitat deed restrictions at a later date.
- Catherine: Build out for home ownership will be longer. Can come back for funding.

### **Hendricks/Northern Hotel**

- Curt: Strong location for affordable housing. Most likely project to go to luxury market rate in 15 years if don't receive funding.
- Jen: \$15K/unit for air conditioning?
  - Eloise: Did not do due diligence on historic rehab last time. Should have anticipated these issues.
  - Jen: Concerned that this application will still not cover needs.
  - Beth: Under contract to purchase. Cannot contract with them to do the work, until have ownership interest. Currently they are the management company. Expect ownership transfer May at soonest. Still sitting on last grant funding amount for AC.
- Jen: Other resources for Historic Preservation?
  - Beth: Working with Landmark Preservation, but not much other historic funding to be had.
  - Diane: Building really isn't suitable for senior housing—narrow hallways, etc. Also, repairs are more costly due to historic designation. If have a walker and can't drive, don't have close grocery store, have to cross busy streets, etc.
  - Beth: Stuck with senior housing until tax credit period expires. Scored low on senior livability index, but received CHAFA tax credits and has to house seniors.
- Jen: Wonder about income from retail on bottom floor and how that impacts this project? Retail space benefits from having residences above.

- Beth: Sale is being held up by negotiations of sales price based on all the rehab that is needed. If the project does not receive the requested funds, it is possible that the ownership transfer will not be completed.
- Jen: They were approved for \$250K last year, but didn't use it. Did that go away?
  - Beth: Did a re-appropriation ordinance to keep the funds in the budget.
  - Sue: So the \$425K is in addition?
  - Beth: Yes.
- Jen: Project is good. Intent is good. Concerned that didn't articulate use of funds.
  - Curt: Seniors will be living here for 20 years, appropriate or not, and there are people living there who are suffering.

### Neighbor to Neighbor

- Jen: Clarification on staff summary—N2N project was purchased and rehabbed in 2005, but they are seeking funding for a new roof?
  - Beth: Frequently acquisition/rehab projects receive allocation in a certain fiscal year, the acquisition happens the following year, and rehab comes even later. They received acquisition/rehab loan which included a new roof. They are ~10-12 years into a 30 year roof.
  - Sue: They mentioned in presentation that it wasn't compensable under insurance.
  - Eloise: Amazing the poor condition after 12 years.
  - Jen: Didn't include \$102K grant for the roof in 2005 in application.
- Curt: Have a 12 year old roof that needs replacement—horrible that needs to be done, but it does. If don't replace the roof, will have more damage to the building.
- Eloise: Have some reserves to contribute to the project.
- Beth: Cheaper to their bottom line to ask the City and not have debt service on the building.
- Jen: When see their financials, appears they are reserving their projects on a one-to-one basis. Why not looking at a comprehensive plan and leverage cash flowing projects to help others?
  - Beth: Required to have separate books for HUD funded projects. Not accounting for 400K cash infusion when Housing Catalyst purchased Rose Tree Villages. That money is unencumbered—saving to use for other purpose.
- Diane: Their strength is in the service side—don't have expertise in property management.
  - Sue: Actively building capacity on building side.
- Jen: Still concerned about how roof condition deteriorated so quickly and wonder what other kinds of recourse they have. Deteriorated properties can be a yoke around the neck of nonprofits.
- Beth: Project must be affordable in perpetuity.

### Final Ranking

Project	Ranking
HO 1 DMA	1
HO 2 Habitat	3
HO 3 Hendricks	4
HO 4 Housing Catalyst	2
HO 5 N2N	5

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**Meeting Adjourned:** 6:00pm

**Next Meeting:** April 6