

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

Date: Thursday, September 6, 2018
Location: Colorado River Room, 222 Laporte Avenue
Time: 4:00–6:00pm

For Reference

Diane Cohn, Chair
Ken Summers, Council Liaison
Sue Beck-Ferkiss, Staff Liaison 970-221-6753

Board Members Present

Diane Cohn
Curt Lyons
Catherine Costlow
Jen Bray
Kristin Fritz
Rachel Auldridge
Jeffrey Johnson

Board Members Absent

Staff Present

Sue Beck-Ferkiss, Social Policy & Housing Project Manager
Brittany Depew, Administrative Assistant/Board Support
Josh Birks, Director of Economic Health Office
Tim McCollough, Deputy Director, Utilities
Joe Wimmer, City Manager’s Office

Call to order: 4:02

Agenda Review: Added Josh Birks to discuss Metro Districts

Public Comment: None

Review and Approval of Minutes

August minutes will be approved in October.

AGENDA ITEM 2: 100% Renewables—Tim McCollough, Deputy Director of Utilities Light and Power

Fort Collins Partners for Clean Energy, made up of many organizations with shared common value around renewable energy, hope to achieve goal of 100% renewables by 2030. Council asked staff to review this goal. Working with Platte River Power Authority (PRPA)—Fort Collins Utilities is the retail utility provider, and Fort Collins owns part of PRPA and has two seats on their board. Six other board members from the other three co-owning communities. Underlying principals are shared: reliability, financial sustainability, environmental stewardship. Received direction from Council to address this goal and conduct outreach. Going back to Council in October. If adopted, this would provide input to many upcoming processes. Main question arising is “How much will this cost?”

Utility costs greatly impact housing affordability. How you define renewable energy can vary greatly. Trying to answer the question, “Is this a mandate or a goal?”

Three questions for this board:

1. Do you support the proposed resolution?
2. Does this resolution align with your board’s charter?
3. Is there specific feedback you would send to Council regarding this Resolution?

Comments/Q&A:

- Jeff: What are the other municipalities involved with Platte River?
 - Tim: Longmont, Loveland, Estes Park
 - Jeff: Do they have resolutions?
 - Tim: Longmont does, adopted in January 2018
- Jeff: When I look at what the City has done with water, and now time-of-day change for utilities, it seems like a lot of the cost increases are based on environmental goals and that passes the cost onto the consumer. Would this layer onto that?
 - Tim: Our energy costs already include Platte River’s wholesale cost, if we need to do something different for the infrastructure. That’s balanced by lower costs of certain types of renewable energy, like wind. It’s not a foregone conclusion that switching to 100% renewable would increase the cost for consumers.
- Diane: Would this resolution impact developers?
 - Tim: This speaks to the supply side, not the consumer side. No direct tie to development requirements.
- Sue: Does the resolution set any boundaries around prices?
 - Tim: There is a section that speaks to residential and business affordable.
- Diane: I know the utilities department has recently added additional discounts.
 - Sue: Income qualified assistance program.
 - Diane: I assume this will fall under that and not directly impact it?
 - Tim: This wouldn’t directly impact that program at all.
- Sue: Is staff submitting this with the recommendation to adopt it?
 - Tim: We are submitting to Council for their consideration and will not be providing a recommendation one way or the other.
- Curt: What percent of electricity is generated right now with fossil fuels? How much are we trying to replace?
 - Tim: In 2017, about 67% was from fossil-based or carbon-based generation, but that’s declining. By 2020, we expect to see 50% from renewable sources.
- Catherine: Why do we feel like we need to be the driver here rather than Platte River?
 - Tim: That’s a great question and speaks to the tension happening between the other groups as well.
- Jeff: You said staff is not taking a position, can you say why?
 - Tim: We have taken a position and that was that we needed more planning time before setting this goal.
- Sue: To summarize, the Affordable Housing Board feels there’s a lot of information that would be valuable in determining if a resolution is appropriate and would like to see the City find out more information before the resolution is passed.

- Tim: Specifically about how it may impact housing affordability?
- Sue: Yes, exactly.

AGENDA ITEM 1: City Manager’s Recommended Budget and Ways to Comment—Sue Beck-Ferkiss, Social Sustainability

The budget proposal has been released and boards and commissions have been asked to review and provide any recommendations to David Young by September 28. Budgeting for Outcomes (BFO) process takes place every other year, offers submitted by departments as “sellers,” include ongoing offer and enhancements. Very few enhancements are going to be funded this year. The recommended budget now goes to the Budget Lead Team (BLT) to make adjustments. Council will be discussing this outcome area (NLSH) on September 11. Social Sustainability’s ongoing budget is included, as well as Homelessness Initiatives enhancement and the Affordable Housing Capital Fund. The line items in white are being recommended for funding and those in gray are not.

Comments/Q&A:

- Diane: So this budget is for 2019-2020?
 - Sue: Yes.
- Curt: Is there a short answer why the budget is so tight this year?
 - Sue: Not really. I think it has to do with the retail revolution and we’re very sales tax-oriented.
- Sue: In this budget cycle, we got an additional \$100k for human service funding, and that is not being included in the next budget at this time.
 - Catherine: Wasn’t that \$100k already committed?
 - Sue: Yes, but only through 2018.
- Catherine: Who ranked these?
 - Sue: This is the City Manager’s recommended budget.
 - Catherine: So they went through and ranked everything?
 - Sue: This is a huge process and the budget teams provide their recommendations to the City Manager.
- Kristin: What are “housing access supports”?
 - Sue: It’s for waivers and a middle-income homebuyer assistance program, and it’s not currently included in the recommended budget.
- Jeff: What’s the downtown ambassador program that’s not being funded?
 - Josh Birks: The DBA has been running this program for the last three years to provide ambassadors downtown to help visitors, also on the street working closely with Outreach Fort Collins (OFC) to keep an eye on inappropriate behaviors.
 - Sue: Funding for OFC is included in the homelessness initiatives, which is currently recommended for funding.
- Curt: What’s the “land use code amendment”?
 - Sue: It’s not coming out of our office so I’m not sure.
 - Kristin: I hope that’s not the implementation step of City Plan.
- Jen: You mentioned a middle-income homebuyer assistance (HBA) program pilot?
 - Sue: That’s the housing access support, and that’s also where waivers are.
 - Jen: That’s for home purchase?
 - Sue: Yes.

- Diane: How much was requested for each?
 - Sue: \$500k for waivers and \$150k for HBA. If the budget gets passed as is, we wouldn't have waiver money set aside, we would have to request it as we've been doing.
- Catherine: This is a lot to digest and it would be helpful to see what is being asked in each offer.
 - Sue: I can send out the narratives to the board.
- Sue: the Land Bank acquisition is for \$1 million and to exercise an option I have negotiated with Montava, which would be medium-density and mixed-use.
 - Catherine: Do you need to exercise your option during this budget cycle, or could it happen in the next one?
 - Sue: We don't know the timing because a lot of things have to fall into place. But if things fell in place quickly and it's not in the budget, it could be a good interim ask mid-cycle.
 - Diane: So the urgency may not be as strong with this one?
 - Sue: The timing is difficult to predict. It's certainly important but I don't know if the timing is critical now.
- Sue: The homelessness coordinator might be a good one to talk about. This request was to hire another staff person in Social Sustainability to coordinate this work.
 - Rachel: Why is this perceived as not necessary?
 - Sue: I think they see the importance, it's ranked highly, they just couldn't find the money for it. Balance competing interest.
 - Catherine: I think that request amount seems high.
 - Kristin: To Social Sustainability's credit, there is so much going on at the local and regional level and we're not eligible for funds if these systems aren't in place. Without staff to really lead these, it doesn't happen.
- Diane: Let's do a quick vote to decide if we should comment on these as a board. Starting with homelessness coordinator.
 - Curt: I'm a little uncomfortable saying something should get funded in place of something else without knowing the whole picture.
 - Sue: Let's see if there's anything on the list you all feel strongly enough about. Homelessness coordinator sounds like it's mixed, the housing access supports is for waivers and middle-income homebuyer assistance.
 - Diane: I'm yes on the waivers. Since there's no fund that is just for waivers, I think it would be nice to aim for.
 - Kristin: In terms of commenting as a board, this one feels the most important and relevant.
- Sue: Land Use code amendments, two-year plan to revamp it?
 - Kristin: There's no point in City Plan updates if there's no Land Use code to support them.
 - Jeff: If the City Manager doesn't want to fund the Land Use code updates because City Plan isn't passed yet, I understand that.
 - Curt: So the next opportunity to fund would be 2021?
 - Sue: If this doesn't get funded, there would be no clear money to get it funded until sometime in the future.

AGENDA ITEM 3: Metro District Proposal & Affordable Housing—Josh Birks, Economic Health Director

Metro districts are separate and independent districts, most are single purpose. Relatively common with over 1,600 in Colorado. Used by communities to advance normal course of development, achieve enhanced development outcomes. Would create new tax residents pay, used to fund public improvements, typically infrastructure. The policy in Fort Collins says you may use the tool only if you provide other community outcomes and objectives. Waterfield – 100 acres, new urbanist alley load project, increased density, 500 units, including 50 affordable units at 80% AMI or below. Montava—25+ year multi-phase project, 1,000 acre property, 4400 residential units, 10% affordable at 80% AMI (not a formal commitment but a goal), Water’s Edge—55+ age-targeted, age-in-place design, 235 acres, 847 units w/ phase two 469 units including 46 affordable. Opportunity vs. trade-offs—increased supply (potential to add nearly 600 units, housing diversity), concern over added cost (added tax, average 55% increase in property tax, how this tax burden impacts affordability).

Comments/Q&A:

- Jeff: What’s the density on Montava?
 - Josh: It’s new urbanist so it’s on the higher range of our density allowance, with a wide range of housing types.
 - Curt: This would be mixed use?
 - Josh: Yes, definitely.
- Jen: Would these be affordable for 20 years?
 - Josh: We’re still working those details out but that’s what we’re talking about.
- Jen: I’ve seen metro districts adding \$80-\$250/month to property tax payment
 - Josh: The 50 mils [used to assess property tax], 40 goes to debt and 10 goes to operations and maintenance, can take the place of an HOA.
 - Dianne: And you can’t do an HOA on top of this?
 - Josh: You can. We could create an IGA that says the developer won’t, but without a formal agreement, they could also add an HOA.
- Josh: The board of these districts are residents, when the debt is gone, they could remove the 40 mil additional property tax, but the board could decide to continue taxing themselves.
- Jeff: It seems an IGA would have more teeth than a development agreement.
 - Josh: The IGA is between the City and the district; not all of the objectives can be met by the district, so you need both an IGA and a development agreement. Won’t give a certification of occupancy until we confirm x or y, based on the IGA and development agreement.
- Jen: These metro districts are being brought to Council because they include affordable housing?
 - Josh: All metro districts are required to go to their government entity for approval of their service plan.
 - Jen: Having worked with a lot of first time homebuyers and in metro taxing districts, to pass the tax burden onto the affordable units is counterintuitive. I think the affordable units have to be excluded from that calculation.
 - Josh: There are ways to ensure the impact of that added tax doesn’t change the affordability of the 80% units. The clearest way is to carve out the lots and say they’re outside of the district. Another way is to use a land trust model, and the land trust would be tax exempt (reducing land value). The sales price the builder offers We require the sales prices the builder offers the units for to be affordable.

- Sue: It sounds like the Affordable Housing Board supports the idea of metro districts and the way they increase density and affordable housing stock, and the board is also concerned about the increased tax burden and how that would impact the true affordability of these units. The board would want a commitment of affordability from the developers from the beginning.

AGENDA ITEM 4: Business

- A. Council Comments**—not discussed
- B. Review 2017 Work Plan**—not discussed
- C. Open Board Discussion**—not discussed
- D. Liaison Reports**—not discussed

AGENDA ITEM 4: Board Member Reports

- A. Fee Work Group & City Plan Housing Group Discussion**—Diane

AGENDA ITEM 5: Other Business

- A. Future AHB Meeting Agendas**
- A. City Council Six-Month Planning Calendar**—not discussed

Meeting Adjourned: 6:20

Next Meeting: October 11 at Housing Catalyst