

MINUTES

CITY OF FORT COLLINS • BOARDS AND COMMISSIONS



AFFORDABLE HOUSING BOARD

REGULAR MEETING

June 6, 2019, 4:00-6:00pm
Colorado River Room, 222 Laporte Avenue

1. CALL TO ORDER: 4:03

2. ROLL CALL

- Board Members Present: Jen Bray, Catherine Costlow, Jeff Johnson, Kristin Fritz, Rachel Auldridge, Diane Cohn
- Board Members Absent: Curt Lyons
- Staff Members Present: Jennifer Poznanovic, Tom Leeson, Lance Smith, Noelle Currell, Sue Beck-Ferkiss, Brittany Depew
- Guests: None

3. AGENDA REVIEW

A) No changes

4. CITIZEN PARTICIPATION

A) None

5. APPROVAL OF MINUTES

From May minutes under Open Board Discussion, changed “PDT” to “Parking, Development & Transportation.”

Diane moved to approve May minutes as amended. Jen seconded.
Approved 4-0.

6. PRESENTATIONS AND DISCUSSIONS

A. Development Fee Updates—Jennifer Poznanovic, Senior Manager, Sales and Tax Revenue; Tom Leeson, Deputy Director, Planning, Development and Transportation (PDT); Lance Smith, Director, Utilities Finance; and Noelle Currell, Finance Manager PDT

Objective: Bring fee updates together to look at total cost impact. These are reviewed every 2-4 years depending on fee and cadence. Work began in 2016, currently in phase 3. Capital expansion fees, updating electric capacity fees, water supply requirement, wet utility fees, development review fees.

Development review fees: Include planning fees (charge for application), building permit fees (include plan review and inspect), engineering fees (inspection). Fees intended to recoup costs of planning, zoning, compliance, etc. There are 150 different application types. Fees established in 1920s; last major update was 2008. Topic came up in 2011-2012 but only building fees were looked at; many suggested changes were not

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implemented because of recession. Current bottom-up analysis done by outside consultant—as a result, will make some methodology changes. Building permit fees will now be based on square footage, not valuation of building. Over-the-counter permits will go to flat fee, no longer based on valuation.

Utility fees (there are 5) are increasing in cost from 1.5% to 24.0% (cost of raw water and storage projects are increasing)

Capital expansion fees (parks, fire, police, general) are all increasing 11%.

Conducting outreach in June and July, Council Finance Committee in August, Council Work Session in October, goal for fees to become effective on January 1, 2020.

Questions/Q&A:

- Curt: There are a lot of different ways to measure square footage, so I think it would be worth clarifying how it should be measured.
 - Kristin: That's a great point.
- Rachel: There are 150 fees, but on an average, not-homeownership project, how many fees do they incur?
 - Tom: For the development review fees, it could be 6-8 fees.
- Sue: Once the fees are set, will they change if the review takes longer for some reason?
 - Tom: No, they will be set. We're basing the fees on the average job estimate.
- Diane: Is there any fact checking on the time they estimate a job will take?
 - Noelle: Yes, we are doing data evaluation.
- Kristin: Have you found so far that there are any fees that are way off?
 - Noelle: I think they will mostly be going down.
- Jen: And they're being consolidated from 150 fees to 70 fees.
 - Tom: Yes, one of the goals was to simplify the fee schedule. There will also be a fee calculator to easily calculate your anticipated fees.
- Sue: How are you planning to use the fee working group?
 - Tom: The group is made up of different stakeholders, and we are using them to help us evaluate our methodologies. To get buy-in and feedback from users. The goal is to be able to align with these new capital expansion fees and, hopefully, an adoption by the end of the year.
 - Jen: The group talked about how we might consider fee impacts on low-income families. We don't want people to skip inspections that ensure safety because they are concerned about cost.
- Jeff: Are there other municipalities in the Front Range reviewing their fees and making major changes like this?
 - Tom: Part of our analysis will be comparative. We will compare our fees with peer cities (now and new fees). The only other Front Range community I know that has changed methodology is Aurora, and we have used some of their methods for our review.

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- Sue: Are the increased utility fees still lower than neighboring districts?
 - Lance: They are. None of our fees are market-based, they reflect what these things cost us.
 - Sue: These are also proposed to be updated and active next year?
 - Lance: Yes, all of these changes are proposed to go into effect January 1.
 - Kristin: How often are these updated?
 - Lance: We're trying to get them all on the same two-year cadence.
 - Kristin: Do you expect water to go up 24% every two years?
 - Lance: This is what we're seeing from two years ago. It's reaching a point of scarcity, but hopefully it doesn't stay at that rate each year. My concern is getting further behind if it doesn't increase enough.
- Diane: Do we have any integration of thought on how affordable housing projects might be affected by these fees? How might we make it a little bit easier to build affordable developments?
 - Lance: The approach we're taking is to define what it means for development/growth to pay its own way. Within utilities, we eventually got an income-qualified assistance rate, and that recognizes that not everyone can afford the typical rates, but that cost has to be subsidized somewhere.
- Diane: Are fees likely to go up again in two years?
 - Jennifer: We would work again with an outside consultant and it would depend on their findings.
- Sue: Some fees are on a 4-year cycle, but we're talking about a 2-year cadence?
 - Jennifer: We want them all to be on a two-year cycle starting in 2021. They would be updated every other year, and off years would just be adjusting for inflation.
- Jeff: What happens with full buildout? If the cost of the facility continues to rise, but we're fully built out, what happens?
 - Jennifer: That's projected to happen in 2040. Then we can look to make sure we've right-sized the fees.

B. Consider Fee Waiver Request for Mason Place, Permanent Supportive Housing—Sue, Social Sustainability Department

Request from Housing Catalyst for the Mason Place waiver. There wasn't a fee worksheet included because we have been meeting with Housing Catalyst and Planning, Development, and Transportation (PDT) to work through the fees. There are 21 waivable fees; the rest are not waivable. We've created a process that gives the developer flexibility in when they request the waiver. The backfill amount is also moving around. In this case, the overall fees for the project will be about \$650k; the estimate for the waivable portion is \$325k with about 80% of that requiring backfill.

Comments/Q&A:

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- Rachel: What is backfill?
 - Sue: In Fort Collins, because of the TABOR (Taxpayer Bill of Rights) amendment, our attorneys are concerned about absorbing funds without reimbursement, especially of capital expansion fees. We tell developers they don't have to pay, and we typically pull from general fund reserves to pay those fees.
- Diane: What is the total cost of the development?
 - Sue: \$18.7 million
- Sue: I would like to ask the board if you'd like to make a recommendation about this request.

Diane made a motion to support the fee waiver request for Mason Place.
Catherine seconded. Approved 5-0.

C. Affordable Housing Board Liaisons

There are a few committees that still need an AHB liaison.

Planning & Zoning Board	Rachel
Board of Realtors	Jen
Economic Advisory Commission	Catherine
Transportation Board	Kristin
Human Rights Commission	-
Commission on Disability	-
Senior Advisory Board	Diane
Community Development Block Grant Commission	Diane
Triple Bottom Line Pilot Group	Jen

7. BUSINESS

a) Council Comments

- July 9 work session
- July 16 fee waivers at Council
- All Community Development Block Grant (CDBG) Commission funding recommendations were approved by Council on June 4

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b) **Review 2018 Work Plan**—not discussed

c) **Open Board Discussion**—not discussed

d) **Liaison Reports**

- Council Liaison is coming to July AHB meeting (will be at 117 N Mason)

8. BOARD MEMBER REPORTS

a) **Fee Working Group**

- Kristin: I'm wondering if the right people are at the table.
 - Tom: The group is made up of the Downtown Development Association, Local Legislative Affairs Committee, Fort Collins Board of Realtors, Economic Affairs Committee, and staff members.

9. OTHER BUSINESS

a) **Update on Affordable Housing Projects**—not discussed

b) **Future AHB Meetings Agenda**

- Will be reviewing Occupancy Study at July meeting

c) **City Council Six-Month Planning Calendar**—not discussed

10. ADJOURNMENT: 5:40

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